

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2613

DEPT. OF
ECON.
DEV.

The committee decided to hold the bill for further research.

The status of the bills in committee was discussed.

Sen. Rettig said that with the Governor's policy being to eliminate all new programs from the departments, save those few he chose to add back in, there is an error in the revised figures for the Department of Economic Development, and it should be revised \$142,100 downward.

Various methods for further helping in reducing the budget were mentioned, Sen. Hensley suggesting the possibility of eliminating those positions which have been vacant 6 months as well as those vacant 9 months, and Sen. Lewis bringing up the idea of the possibility of an executive order freezing all hiring.

Adjourned: Meeting adjourned at 9:30.

SENATE FINANCE SUBCOMMITTEE
Wednesday, March 10, 1971
1:30 p.m.

Present: Senators Butrovich and Ray, the subcommittee on the Alaska Court System budget, and Messrs. Reeves and Morrison of the Court System.

ALASKA
COURT SYSTEM

Sen. Butrovich called the meeting to order, and explained that now the subcommittee would go over the amended budget request

Amended
Budget

for 71-72 with the Court System representatives. This amended budget, as was explained earlier, is actually their correct budget request as far as Mr. Reeves, Administrator of the Courts, is concerned - the earlier budget which went to the Governor's Budget Review having left out of it several important items due to some difficulties in the original budget preparation. Copies of this amended budget have been distributed to all the committee members, and a copy is in the department file. Mr. Morrison went over the first several sheets in the amended budget book with the subcommittee, these sheets being the summary. There were no questions.

Admin.

Code 100

There is a request in this amended budget for an increase of \$108,900 in Personal Services. Three of these, Mr. Morrison explained, are to enable them to set up a data processing system.

Code 200

There is a \$2,200 requested increase in travel, which Mr. Morrison said is so that the auditor can travel to the various magistrate courts to audit them, as many of them have never been audited.

Code 500

No questions.

Code 700

Mr. Morrison explained that the increase here in Grants, Claims

and Shared Revenue is due to the salary increase of 1970 which makes the retirement for judges and judge's widows increase.

Judicial
Districts
1st Jud.
District

There is a request for a Probation Officer I in the First Judicial District. Mr. Morrison explained that the Court System has been assigned two people from Health and Welfare, but after June 30 they will not be available to the Courts, so they somehow must be replaced. There are requests also for one Probation Officer in Fairbanks and two in Anchorage.

Code 300

A further increase is necessary for jury fees. Additional monies are needed, too, for autopsies. Mr. Reeves stated that \$43,000 was budgeted for all four judicial districts for autopsies but \$51,000 has been actually spent and in addition to this, doctors' fees are increasing.

Code 500

No questions.

2nd Jud.
District
Code 100

They are requesting another district court judge in the Second Judicial District, as there is now only one.

There are also additional new positions requested.

Code 200

Additional Travel request is due to the new judge requested for travel from Nome to Kotzebue.

Code 300

Increases in Contractual Services are for juries and autopsies.

Code 400

Increases in Commodities are for the new district judge.

Code 500

Increases in Equipment are for the new positions.

3rd Jud.
District

There is a request for four additional judges in the Third

Code 100

Judicial District, along with other positions.

Code 300

The largest increase in Contractual Services again is jury fees, with additional increases for rental of space for the new judges, cleaning of the Anchorage Court Building (Mr. Reeves indicated

his dissatisfaction with the job the Division of Buildings does), rental of IBM magnetic tape typewriters for court transcribing and autopsy fees.

Code 400 The increased request for Commodities is for magnetic tape cartridges.

Code 500 Increases in Equipment are due to the new positions.

Code 900 The increase for Inter-Agency Charges leasing and equipping additional space.

4th Jud.
District Three new judges have been requested for the Fourth Judicial

Code 100 District, along with several other new positions, among them a Probation Officer, which Mr. Reeves explained is a necessary position and one that has not been adequately filled in the past. They have had two such positions assigned to them by the Dept. of Health and Welfare, but with the press of business in that department, the probation officers have really not been able to give the Courts the necessary insistance. The result of this is that sentencing is put off after a person is tried because it is necessary first that the judge have the investigation reports prepared by the Probation Officers. At any rate, even were these people able to fulfill the necessary services for the Courts, they will no longer be available to them after June 30, and so replacement is necessary.

Code 300 Increases in Contractual Services are due to jury costs, autopsy fees and cleaning contract for the Fairbanks Court Bldg.

Code 500 Increase in equipment is due to new positions.

Adjourned: Meeting adjourned at 2:45.

SENATE FINANCE SUBCOMMITTEE
March 11, 2:00 p.m.

Present: Senator Ray and Senator Butrovich, Senate Finance Subcommittee on the Judicial Council Budget; and Mr. Frank Doogan of the Judicial Council.

ALASKA
COURT
SYSTEM

JUDICIAL
COUNCIL

Chairman Butrovich called the meeting to order, and defined the purpose as reviewing the Judicial Council Budget.

Mr. Doogan began his presentation saying that the Judicial Council was created by the Alaska Constitution and is the only commission or board in the Constitution itself. It is composed of the Chief Justice (Chairman), three lay members and three attorney members. The attorney members are appointed by the Alaska Bar Association. Up until this time, the Council's budget has come under the Court System's budget. However, in May of 1970 when Judge Dimond became Acting Chief Justice, he told the Council that they should have their own budget and staff. His reasoning was that the Executive-Secretary of the Judicial Council was also the Administrator of Courts subject to being hired or fired by the Chief Justice. Thus, he had to follow him down the line.

Mr. Doogan said that the budget is basically the same as in prior years with the exception that they do request a staff of one for the Executive-Secretary and provide for an office, desk, and typewriters.

Members of the Council are not paid a salary, he said--only travel and per diem.

In 1970 the Council had 10 meetings. Their main function is to make studies and conduct and make recommendations to the legislature and Supreme Court. Secondly, they investigate and nominate all judges.

Their recommendations are reported to the legislature and Supreme Court every two years.

After Chief Justice Dimond took office they began to hold public hearings throughout the state. This was the first time the Council was a public forum where the public and court employees were able to express their views. As a result, many internal problems of the Court System were found and corrected. Public hearings were not held separately from regular meetings if regular meetings were being held--this cut down on travel and per diem.

Mr. Doogan gave some examples of subjects the Council covers: recommendations on jury salaries, preemption of judges and problems that could arise with incapacity of judges or coronators, micro-filming of public records for additional judges, calendars...

Sen. Ray stated he had only one question regarding this budget, and it pertained to Code 380 under Contractual Services (page 184). He asked the necessity for special studies. Mr. Doogan replied they were studies the Council has to carry out under mandate of the Constitution.

Sen. Ray asked if these were related to the unrestricted general fund of \$54,400 and was told no.

Sen. Ray asked for priorities in regard to the special studies.

Mr. Doogan replied in order of priority: (1) Magistrate training and bush justice in practical application; (2) Problems relating to crime in the bush; (3) Improvement in Court Calendaring; (4) Management and custody of juveniles prior to hearing and custody designation after hearing; (5) Study of improved methods of recording land transactions and care of land records.

Mr. Doogan stated that he had made up the budget on his own time as the Council hadn't had an Executive-Secretary. They do have

one now who is paid per diem. (He's an attorney in Anchorage and his services are contracted for). He doesn't charge anything for going to meetings or doing work away from home, however, if he has to take time out during the working day, he does charge.

Mr. Doogan concluded his presentation saying that there is no rent being asked because the Court System has guaranteed to provide space for the rest of the fiscal year.

Adjournment: Meeting adjourned at 2:20.

SENATE FINANCE COMMITTEE

DEPT. OF
NATURAL
RESOURCES

BOOK I

Budget
Summary

The following is Senator Lewis' budget presentation of the Department of Natural Resources. Since he is a member of a two-man subcommittee with Senator Palmer, the following will be more in the nature of a recommendation than a final review. "1970-71 there was authorized \$5,195,800. This year the department has requested \$6,188,900, an increase of \$933,100, an increase of approximately 19%. The Governor has allowed \$5,945,400, an increase of about 11-1/2%. I have allowed \$4,699,900. Permanent full-time positions in '69-'70 were 176 increasing in '70-'71 to 194 and the department has asked this year 210, an increase of 16 bodies. The Governor has allowed 206.

Office of
Commissioner

The administration which is the overhead of the department, of course, we find authorized in '70-'71 \$267,700. The department has requested \$330,200, an increase of \$62,500 or nearly 24% as opposed to some 19% for the department as a whole. A predictable indication of an inefficient operation. The Governor has allowed \$325,700, an increase of 22%. I have allowed \$322,300.

Code 100

Under personal services I have allowed the 15 permanent full-time positions requested in this department as has the Governor. I have restored the \$300 vacancy and turnover factor shown in the '70-'71 budget. I have allowed all inside travel and considerable of the outside travel requests but have deleted junkets to the Interstate Oil Compact Commission.

Code 200

Under contractual services last year's authorization was \$20,000. The department requested \$25,900. The Governor

Division of
Lands

allowed it. I allowed \$24,000. My deductions were based on small amounts from various line items as judgment dictated. The '70-'71 authorization was \$2,110,700. The department has requested \$2,368,300 up \$257,600 or 12%. The Governor has allowed \$2,217,500. I have allowed \$2,042,000. Under the office of director of the Division of Lands there was authorized in '70-'71 \$948,100. This year's department request is \$866,800, a decrease of \$81,300. The Governor has allowed \$830,900. I have allowed \$779,500. Under central services of the office of director there was allowed in '70-'71 \$486,800. The department has requested for this year \$445,700, a decrease of \$41,100. The Governor has allowed this figure and I have allowed \$413,500. I have allowed the 19 positions currently authorized, but have not allowed the overtime requested and have restored the \$14,200 vacancy and turnover factor in central services and have allowed the in-state travel of the director and disallowed the out-of-state travel by the director.

Code 300

The department has requested \$173,500. The Governor has allowed it. I have allowed \$170,300. Reductions are based on line by line evaluation and judgment.

Under Division of Lands, Office of the Director, South Central District I have allowed 7 personnel currently authorized but have provided for vacancy and turnover recovery of \$300 shown in '70-'71 but not '71-'72 requests. Under the South Central District travel I have authorized \$8,000, the same as last year. The department requested \$8,800 and the Governor allowed this. \$400 of it is classified as program increase.

Code 200

Last year's authorization \$3,600. Department request \$5,000. Governor allowance \$5,000. My allowance \$4,100. Based on a 20% reduction in equipment rental they have \$2,500 for rental

of a car for a year. Other agencies, I note, are renting them for \$2,000 for one year. Selected reductions elsewhere as appeared feasible.

Under the North Central District last year's authorization \$163,500. This year's request \$163,200, a decrease of \$300. The Governor has allowed \$127,300. I have allowed \$113,400. I have allowed the five permanent positions authorized and requested but have reinstituted the \$1,400 vacancy and turnover factor which was shown last year and not this year. I have disallowed new positions and overtime work.

Code 200

Travel--Last year's authorization was \$8,000. This year's request \$17,300 for a 100% increase. The Governor has allowed \$8,600 and I have allowed \$8,600.

Code 300

I have reduced telephone by \$200 and subscriptions by \$200 making an allowance of \$15,300. The Governor's allowance is \$15,700. The department's request is \$2,300. The major reduction was in equipment rental based on air charter based on North Slope interest which the Governor reduced from \$8,000 to \$2,000 and I allowed \$2,000.

Code 500

Equipment--I have deleted the office equipment relative to the new position and allowed \$800. The Governor's allowance is \$1,100. The department's request is \$1,100. Office of the Director, Southeastern District, requests \$137,500. The Governor's allowance \$137,500. My allowance \$134,200. Under personnel I have allowed the eight current permanent positions requested as has the Governor. I have, however, reinstated the vacancy and turnover factor of \$1,600. The department requests \$10,800. The Governor's allowance is \$10,800. My allowance is \$10,000. Reduction \$100 in

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Code 200

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Code 300

The department requests \$10,800. The Governor's allowance is \$10,800. My allowance is \$10,000. Reduction \$100 in

long distance 'phone calls and \$200 in equipment rental.

Code 400

Commodities--Department request \$1,000. The Governor's allowance \$1,000. My allowance \$700. Based on correcting an arithmetical error in professional and scientific supplies for \$150, reduction of stationery and office supplies by 10% and reduction of displays at Haines Fair by \$100.

Code 500

Equipment--'70-'71 authorized \$1,200, department request \$1,300, Governor's allowance \$1,300, my allowance \$1,200--last year's level. In these days of austerity I believe they can make do ^a for/storage cabinet at Haines or build one.

Code 900

Inter-agency charges--Department has requested \$4,300 for vehicle rental from highways. I have reduced this to \$4,000. The last actual accounting on this was \$3,705 in '69-'70 and I believe the reduction of \$300 which is less than 10% can be effected without harm to the program. Under the lands section

Lands Section

of the Division of Lands the department requested \$244,000 up \$58,200 from last year's authorized \$185,800. The department's request was an increase of over 31% and the Governor allowed only \$236,500. I allowed \$225,900. The department has 15 permanent full-time positions. They requested an addition of one position. The Governor disallowed it and I have disallowed it. I have allowed the 15 positions but reapplied the vacancy and turnover factor of \$8,000.

Code 200

Travel--Last year's authorization was \$6,100. The department requested \$7,300. The Governor allowed \$7,300. I allowed \$6,700, an increase of 10% over last year.

Code 300

I have reduced long-distance 'phone calls from \$400 to \$300 which is last year's level. I have reduced printing and advertising \$5,950 which is \$950 above last year's \$5,000 or

Cadastral
Engineering

practically a 20% increase. I have reduced equipment rental to \$700 which is \$100 above last year.

Under management of state lands, Cadastral Engineering, last year's authorization was \$407,100, the department requested \$412,200. The Governor allowed this figure, an increase of \$5,100 or an increase of 12%. I have allowed \$383,300.

The current full-time positions are 24. The department has requested 23. The Governor allowed 23 and I allowed 23 but reapplied the vacancy and turnover factor of \$5,800. I have disallowed outside travel for the cadastral engineer (see letter attached under code 200), inside travel and per diem ^{last year} which was last approximately \$11,000/has been requested this year at approximately \$15,000. I have reduced this to \$13,800 approximately and suggest that the chief cadastral engineer when he finds it necessary to go to various meetings with various boroughs and platting and zoning commissions that perhaps his travel can be picked up by said commissions. If they want him there badly enough I'm sure it would be.

Code 300

Contractual services--The department requested \$71,800. The Governor allowed \$71,800. I allowed \$53,600. Reductions were made on a line to line basis according to the dictates of evaluation and my personal judgment. The largest single deduction was 10% in the contract professional fees and services, code 380, which the department itself reduced \$30,000 prior to the budget.

Code 400

Last year's authorization \$4,500, department request \$6,500 which the Governor granted. I allowed \$5,300. Deductions made line to line as evaluation and my judgment dictated.

Code 510

Equipment--Last year figure was \$2,600, the department request

\$2,900, Governor's figure \$2,900, my figure \$2,600--the same as last year.

Forestry

Last year's budget \$360,000, this year's request \$562,700, an increase of \$202,100, approximately 61% above last year and 230% above the year before. The Governor has allowed \$456,300, my allowance is \$410,400 Personnel in this activity last year were eight permanent full-time. The department has requested nine. The Governor has allowed ten. I have allowed nine but reapplied the vacancy and turnover factor of \$6,800 and eliminated the request for \$2,000 in overtime. Travel budget for this activity. The department has requested \$19,900. The Governor has allowed \$15,800. I have allowed \$15,800.

Code 300

Contractual services--the department requested \$209,200 up from \$173,300 last year. The Governor allowed \$204,900. I allowed \$188,400. I reduced communications to last year's level. Printing and advertising I disallowed aerial photo purchasing. It was unexplained except to say aerial photo purchasing--\$6,000. I reduced the \$1,100 comprised of regular program \$100, CM2 program, \$800 and CFM program, \$200, I reduced this to \$900. Under utilities I disallowed the \$2,400 which is a new request. There was none in last year and it says new warehouse space for storage of acquired equipment. I don't know where they're storing it now but I think they can continue to store it there for one more year.

Repairs, services and alterations requested \$900. I allowed \$800, last year's figure. Transportation of things to Bonanza Camp and local wardens requested \$900. I allowed \$800, last year's figure. Equipment rental--I have allowed \$1,100 which is 20 hours of flying time and \$4,000 or 100 hours of dozer

rental for the CM2 program. This is for Bonanza Forest project. I believe this is where we work the inmates and if it is, it is, of course, a worthy program.

Code 390

Other contractual services--I allowed a cent an acre for fire suppression, \$180,000 for 18 million acres and disallowed the aerial photo contract for \$8,000. This is a reflight of the Susitna Valley and it has not been proven to my satisfaction that it is worth \$8,000 to us at this time.

Code 400

The department request is \$21,300, double what it was in '69-70. The Governor has allowed \$14,500 and I have allowed \$13,200. Under clothing I reduced the request from \$1,200 to \$1,000. I allowed their request of \$4,000 worth of food. I reduced their fuel from \$1,700 to \$1,400, \$200 more than last year. I reduced the code 450 and construction materials \$4,000 to agree with the Governor's figure. I reduced motor vehicle parts and accessories from \$1,200 to \$1,000 and professional and scientific supplies to \$900 which is \$100 over the last year's figure eliminating \$300 relating to forest warden program which has been eliminated.

Code 490

I allowed \$800 as did the Governor for replacement of hand tools but disallowed the forest program request.

Code 500

Equipment--The department requested \$33,400. The Governor allowed \$4,400. I allowed \$2,000 which is the equipment other than forest warden related purchases.

Code 900

Inter-agency charges--the department has requested \$27,400. The Governor allowed the \$27,400. I allowed \$14,200. What I allowed was the figure for inmate labor and vehicle/program maintenance level, and disallowed program increase of \$13,200 which is attributed according to their own words here to the rental

forest warden program which has been disallowed.

Minerals

Under the minerals activity last year's authorization was \$120,300, the department has requested \$163,600, an increase of \$43,300 or 36%. The Governor allows \$163,600. I have allowed \$131,600. Under this program the department has requested 11 bodies. The Governor has allowed this and I have, however, I have reapplied the vacancy and turnover factor of \$8,100. I have disallowed all new positions and all outside travel and allowed in-state travel for existing personnel only to the extent necessary to maintain present level.

Code 300

The department has requested \$5,100. The Governor has allowed this. I have allowed \$4,700 making various reductions as seemed feasible to me.

Code 500

Under equipment the department has requested \$900. The Governor allowed it. I reduced the \$200 which was requested for the new position making an allowance of \$700. Under the water resources program there was \$88,800 allowed last year. The department requested \$119,000 this year up \$30,200 or 34 %. The Governor allowed \$118,000. I allowed \$111,300. I allowed the six personnel requested but reapplied the \$1,300 vacancy and turnover factor in effect last year but not applied this year. I deleted all outside travel and reduced the board members meetings from 42 days to 21 days.

Water
Resources

Code 300

Contractual Services--Authorized '70-'71 \$20,000, requested this year \$23,900 an increase of \$3,900 or approximately 20%. The Governor allowed \$23,300, I allowed \$20,100. I allowed the extra increase in long distance because of disallowing travel, reduced professional fees and services to the 1970-71 level and other contractual services to the 1970 level."

SENATE FINANCE COMMITTEE

DEPT. OF
NATURAL
RESOURCES

BOOK II

GEOLOGICAL
SURVEY
Mineral
Development
Summary

The following is Senator Lewis' presentation of the Department of Natural Resources.

Under the geological survey program 1969-'70 had an authorization of \$451,600. 1970-'71 \$1,095,200 over 200% rise, in fact, a 400% rise. This year the department has requested \$1,005,700, \$90,200 less than last year. The Governor has allowed the department \$1,005,700, exactly what they asked for. I have allowed \$653,100. The request is for 25 bodies, an increase of one over the previous year. The Governor has allowed 25. I have allowed 24. The department attributes \$886,600 to program maintenance level and \$119,100 to program increase and ^{full-time} one permanent/position to the program increase. There are no federal funds for this program.

Office of
Director

Under Office of Director we find a request for \$198,800, up \$10,700 over last year's figure of \$188,100, an increase of 6%. The Governor allowed the \$198,800. I allowed \$188,200. The department has requested ten people. The Governor has allowed ten people and I have allowed ten people but have reapplied the vacancy turnover factor of \$3,200. I have disallowed outside travel to Las Vegas and an unstated place in Maine. I have limited inside travel to last year's budget and inside per diem to an increase of 33%.

Code 300

Contractual Services--I have limited communications to \$8,000 and advised the use of more postage and less telephone. I have limited printing and advertising to last year's budget of \$2,500. I have granted the department request for rents and utilities. I have limited repairs, services and alterations to \$5,000, deleting the \$500 for installation of wire for a central dictating system. Transportation of things--I have rounded off

\$360 at \$350, disallowing the department's rounding at \$400.

Equipment--I have allowed \$8,050 rather than \$9,400 disallowing the central dictating equipment rental and allowing enough money for Norelco dictating and transcribing equipment.

Commodities--I have retained professional supplies and stationery at last year's level and have allowed \$1,000 for other supplies and materials deleting wire for central dictating system and requiring a general decrease of \$200 in other items.

The request for \$1,000 for shelving and storage room improvements I have allowed \$800.

Interagency charges--I have restricted vehicle rental to \$1,800, last year's figure and under central printing have allowed a 10% increase on last year's \$3,000 figure making legislative allowance \$3,300 for a total of \$5,100 as opposed to the Governor's figure and the department's figure of \$5,900.

This function is deleted. There is no allowance.

Last year's authorization was \$95,800. The department request this year \$136,600, an increase of \$40,800 or 43%. The Governor allowed \$136,600. I have allowed \$133,200.

I have allowed 5 people as requested by the department and allowed by the Governor. The department request is \$93,000. The Governor has allowed this. I have allowed \$92,000 after reapplying the vacancy and turnover factor of \$1,000.

Travel--I have disallowed outside travel to Denver, Colorado, and a symposium in Pittsburgh, Pennsylvania. I have allowed all inside travel requests.

The department has requested \$34,400, 325 % from last year's authorization of \$8,100, an increase of \$26,600. The Governor

\$360 at \$350, disallowing the department's rounding at \$400.

Code 500

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Code 400

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Code 600

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Code 900

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Mining
Section

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Laboratory
Section

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Code 200

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Code 300

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Geology
Section

allowed \$34,400. I allowed \$33,700. I allowed the major purchase of optical emission spectrophotometry for \$28,000 but made various line by line reductions as seemed feasible to me. Last year's authorization \$168,000. The department has requested \$260,700, an increase of \$91,700 or 55 %. The Governor has allowed \$260,700. I have allowed \$216,200. The department claims that \$234,600 is program/^{maintenance}and \$26,100 program increase. They have requested five current full-time positions and seven permanent part-time positions. The Governor has allowed these positions and I have. New projects include geological program in the Manley area and a commodity study of antimony. Among the goals of this activity are ^{the data} to make/available to anyone who might use it as soon as possible.

Code 100

Personal services request is for \$160,100. The Governor has allowed this. I have reapplied last year's vacancy and turnover factor of \$2,200 and disallowed \$10,000 in overtime for a personnel allowance of \$145,300.

Code 200

^{all}
I have disallowed/outside travel including the annual meeting of the Cordilleran Section of the Geological Society of America and the annual symposium on Geochem at some unannounced spot. Inside travel is up from last year's \$1,000 to \$3,300. I have allowed \$3,000. Per diem is up from \$8,300 to \$21,600. In both cases I have made a reduction of approximately 10%.

Code 300

Contractual Services--Last year's authorization was \$47,000. The department has requested \$66,400 an increase of \$19,400 or 41 %. The Governor allowed \$66,400. I allowed \$45,200. The difference here was largely in helicopter rental which I restricted to last year's figure of \$38,800 as opposed to the

department request of \$56,800.

Code 000

Last year's figure was \$4,100. The department request is \$6,000 or approximately 50% increase. The Governor allowed \$6,000. I allowed \$4,100.

Geology
Services

The department request is \$409,600, an increase of \$409,600. The Governor's allowance is \$409,600. My allowance is \$115,500. We can thank John Sweet, a petroleum geologist for this inter-bureau shuffle which the Division of Mines & Geology expired and the geological survey was born. Geology Services replaces the old mining section which was programmed for \$350,300. The program increase is stated to be \$52,300. Permanent personnel are four. The Governor has allowed four and I have but have applied a vacancy and turnover factor of \$2,000. I have disallowed the new positions and have disallowed travel to Spokane, Denver, etc. I have allowed \$10,500 for inside travel which compares to the department request of \$15,000.

Code 300

Contractual Services--The department requested \$262,400. The Governor allowed this. I allowed \$10,500. Changes were effected based on line by line evaluation. The major reduction is \$250,000 for the aeromagnetic survey which is a disputed plan at best. It is opposed by all of the mining engineers in private practice whom I have talked to.

Code 500

Equipment--The department requested \$3,500. The Governor's allowance is \$3,500. My allowance is 600. I have made all changes based on deletion of equipment requested for new positions which were disallowed.

AGRICULTURE

Authorized last year \$901,200, requested this year \$972,100, an increase of \$70,900 or 8%. The Governor has allowed, it says here \$971,700, a deletion of \$1,000 or .1 %. The department and

the Governor have allowed 20 positions. I have allowed 20 positions, but have reapplied vacancy and turnover wherever possible and eliminated any overtime.

Office of
Director

I have allowed three permanent full-time positions as did the Governor but applied a vacancy and turnover factor of \$2,400.

Code 200

Travel--I have eliminated the outside trip to Miami, Florida, and reduced inside travel and per diem from \$4,100 to \$2,800.

Code 300

Contractual Services--The department requested \$54,300, up \$22,700 from last year's budget of \$31,600. The Governor allowed this figure. I allowed \$14,100. Major item of change was the disallowance of \$30,000 to make another study, this time for water and \$600 for membership in something called a National Association of State Departments of Agriculture.

Code 400

Commodities--The department request and Governor's allowance is \$2,800. My allowance is \$2,400. Changes affected by line to line evaluation.

Code 500

Equipment--I have allowed bookcases for director and administrative staff for \$100. I have disallowed new typewriter tables.

Code 700

In these days of austerity I have reduced this figure to \$16,500 to be distributed on a prorata basis.

Code 900

Printing--Authorized last year \$1,000. Requested this year \$2,000--100% increase allowed as legislative allowance \$1,500--50% increase.

Plant
Industry

Authorized last year \$74,600. Requested this year \$78,800. Governor's allowance \$78,800. Legislative allowance \$57,200. I have allowed three permanent positions requested but have allowed a \$1,000 vacancy and turnover factor. I have allowed the maintenance level but have disallowed increase on inside

travel and have disallowed all outside travel.

Code 300

Contractual services--Last year's authorization \$4,000, this year's request \$11,000 approaching a 300% increase. The Governor has allowed \$11,000. I have allowed \$3,200. I have disallowed professional fees and services for frozen vegetable field scale investigations. This, if allowed, will be another fiasco like the frozen pea project where we invested tens, if not hundreds of thousands of dollars in an obviously unworkable program sponsored by dreamers and wishers. I said tens of thousands, it may well have been hundreds of thousands.

Code 440

Commodities--Department request \$800, up \$300 from last year. I allowed \$400.

Code 500

Equipment--Department request \$1,300, up \$500 from \$800 last year. I allowed \$1,200 deleting table for new position not allowed.

Code 800

Miscellaneous--\$10,000 request for a frozen vegetable investigation. This is down \$10,000 from last year's \$20,000 request for a frozen pea investigation. It would merely amount to relieving ourselves of \$10,000 in the name of frozen vegetables rather than \$20,000 in the name of peas.

Animal
Industry
Section

The department has requested \$286,200, up \$65,000 from last year's \$221,200, an increase of 29%. The Governor has allowed \$286,200 in this budget. I have allowed \$243,700. Under personnel I have allowed the ten permanent full-time positions allowed by the Governor and the department. I have applied a \$2,000 vacancy and turnover factor and eliminated the overtime request, thus reducing \$189,500 to approximately \$182,000. I have disallowed the new positions. Under travel I have disallowed the trips to California and Nevada. It doesn't say

where in Nevada, perhaps Las Vegas. I have reduced inside travel and per diem to \$13,000 from \$14,800. Last year's travel and per diem was \$11,800.

Code 300

Last year's authorization was \$19,400. The department asked for \$39,200 which the Governor allowed. I allowed \$26,800. Reductions were based on line by line evaluations.

Code 400

Commodities--Last year's authorization \$8,500. The department's request and the Governor's allowance \$8,800. My allowance \$8,200, based on line by line evaluation.

Code 500

Equipment--The department requested, the Governor allowed and I allowed \$8,600. This is a classic example of the carrot and the stick technique as practiced by the federal government. It says here items marked MI lab are for the new meat inspection laboratory located in Palmer and are necessary to meet the requirements of the federal wholesome meat act. All items are the subject to 50% federal funding under/cooperative state-federal meat program. All office furniture is also eligible for 50% federal funding.

Code 600
and 700

system.
The department has requested \$3,500 for an exhaust/ I think they can do it for \$3,000. They have requested \$1,000 for indemnities. I think they can do this for \$800. I have allowed \$3,800 for the two as opposed to their \$4,500.

Code 920
and 940

They requested \$3,000 for vehicle rental and duplication. I have reduced this 10% to \$2,700.

Small Grain
Incentive

They have requested \$80,000 this year--the same as last year and the year before. I have reduced this to \$40,000 in view of the Governor's recommendation and in view of the fact that this was to be when originally instituted a system of progressively reduced payments until it phased itself out and in view of the

fact that I have written to the Department of Natural Resources and asked them for a complete breakdown of funds paid out under this program and have received no reply.

Loan
Capitalization

They have requested \$300,000. I have allowed \$140,000 to repay the teachers' retirement and the other fund that is supplying the money. We are borrowing this money and paying interest on it and loaning it out at a lower interest than we are paying. A

Loan Fund
Administration

school boy knows this is not good practice. The loan administration department request is \$79,500. This is almost double what it was two years ago--\$42,500. The amount of money, I am satisfied, is not very much greater now than it was at that time. I have gone through the budget function by function and allow \$63,900. I have allowed three permanent personnel, an increase of 1/2 a person and applied a vacancy and turnover factor of \$1,900 to the personnel code. I have restricted travel to last year's authorization of \$9,200 although the department requested \$14,600. I am convinced there is a lot of slop in this department.

Code 300

Contractual services--The department has requested and the Governor allowed \$7,400. I have allowed \$5,500, based on line by line evaluation of this request.

Code 400

Commodities--Last year's authorization was \$200. The department request and the Governor's allowance \$400. My allowance \$300.

Code 500

Equipment--Last year's authorization was \$600. The department request and the Governor's allowance \$900. My allowance \$600.

Code 900

Car rental-Dept. of Highways and Administrative Services charges--Department request is \$11,700. The Governor allowed it but I have allowed \$6,000. The Department of Highways' car rental has been shifted to another code and the \$11,700 is based on pro-

rated charges to the loan administration program by administrative service section based on the salary and benefits of an accountant who handles loan funds. This means that in the central office one man would be devoting almost exclusive time to handling the loan funds generated by one loan examiner. This does not appear reasonable to me.

OIL AND GAS

This year's request is \$523,000, up from last year's \$409,000 which itself was up from the previous year's \$309,000. The Governor allowed the \$523,000 but I have allowed \$394,400.

Office of
Director

Under this activity the department has requested \$153,100 which the Governor allowed. I allowed \$125,800. I allowed the director the five people requested as did the Governor but I reapplied a \$1,300 vacancy and turnover factor.

Code 200

Travel--I deleted trips to Mississippi, unknown locations, and Washington, D.C. Under inside travel I allowed \$1,400, up \$100 from the previous year's \$1,300. Under per diem I allowed \$900 up 50% from the previous year's \$600. The department had requested an increase of \$1,700 on these two lines.

Code 300

Contractual Services--The department request was \$58,600, up \$16,200 from the previous year. The Governor allowed it but I allowed \$41,000. This reduction was based on line by line evaluations.

Code 380

This is a questionable activity, the fund for employment of consultants to give technical advice in specialized areas. The program increase was for \$10,000 to obtain laboratory analysis of North Slope crude oil and establish their profiles and determine fair value. I disallowed it. It looks like we're going to have plenty of time to determine the profiles of the North Slope crude oil.

Code 390 They raised
 /the Interstate Oil Compact Commission dues from \$1,000 to \$2,000
 and I disallowed it.

Code 400 Commodities--The department has requested and the Governor allowed
 \$2,200. I allowed \$1,700 based on line by line evaluations.

Code 500 Equipment--The department requested and the Governor allowed
 \$4,500. I allowed \$2,500 based on line by line evaluations.
 I have specifically eliminated desk microphones. These technicians
 can buy the same kind of dictating and transcribing equipment that
 we use in our business and own it for less than they can rent the
 other and will accept dictation as fast as they can talk.

Code 900 The department requested and the Governor allowed \$7,300. I
 allowed \$4,500 based on my value judgment.

Petroleum
Engineering Last year's authorization was \$154,000. The department has
 requested and the Governor allowed \$211,000, an increase of
 \$57,600 or 37%. I have allowed \$163,400. I have allowed
 their six permanent people but applied a vacancy and turnover
 factor of 5% and disallowed overtime. I have disallowed new
 positions and trips to Mississippi and New Orleans. I have
 allowed all inside travel except to the North Slope which I
 reduced 50%.

Code 300 Contractual Services--The department requested \$12,100, an
 increase of over 1,000%. The Governor allowed but I have not.
 I allowed \$6,200 which is closer to 600%.

Code 400 Commodities--The department requested and the Governor's allow-
 ance was \$3,600. My allowance is \$2,100 based on line by line
 evaluation.

Code 500 Equipment--Department requested and the Governor allowed \$700.
 My allowance is \$200. I disallowed office furniture for new
 petroleum engineer who was himself disallowed.

Petroleum
Geology

The department has requested \$158,300, up \$69,800 from last year's \$88,500, an increase of 79%. The Governor allowed this figure. I allowed \$105,200. I allowed under personnel the four current full-time positions. Under travel I disallowed trips to Palo Alto, University of Kansas, Mississippi and Denver. I wonder what is so attractive about Biloxi, Mississippi? Under inside travel and per diem I allowed \$800 which is \$100 less than the department requested.

Code 300

Contractual services--I allowed \$1,300. The department requested and the Governor allowed \$51,200. I have disallowed a \$50,000 study of the Cook Inlet oil basin which does not appear feasible and has not been justified to me.

Code 400

Commodities--The department has requested and the Governor allowed \$700. I allowed \$500.

Code 500

Equipment--The department has requested and the Governor allowed \$1,200. I have allowed \$700.

PARKS

The department has requested \$989,600, up more than 200% from last year's figure of \$410,700. The Governor has allowed \$901,800, I have allowed \$658,800.

Office of
Director

The department requested \$243,200. The Governor has allowed \$218,700. I have allowed \$129,000. Under personnel I have allowed six bodies--\$94,900. These, if not all of them, are transfers from Division of Lands. I have, however, applied a vacancy and turnover factor of \$2,000. I have disallowed all new positions. I have disallowed outside travel and reduced inside travel to \$1,000.

Code 300

The department requested \$23,200. The Governor allowed it. I allowed \$16,500. My reductions were based on line by line evaluations.

Code 400

Commodities--The department requested and the Governor allowed \$23,200. I allowed \$11,500, based on line by line evaluation. A major area of reduction was Code 450, maintenance and construction materials. I believe it prudent under the circumstances to let these people see what they can do with \$10,000 for this year and then take a look at it again next year.

Code 500

Equipment--I have allowed \$500 for sander, saw and router for prefabrication work. I have disallowed a drill press since they have one now and disallowed all new equipment associated with new positions. I have disallowed a request for a forklift at \$11,500. They have a forklift now they are using and while they maintain that it needs replacing I believe, under the circumstances, we can make it do one more year and replace it next year if necessary and if possible.

Code 920

I have allowed \$600 for vehicle rental.

Code 940

I have allowed \$2,700 for printing and \$1,300 for Xerox rental. I have disallowed \$41,700 for 65% of the word processing center cost prorata share. \$41,700 in my judgment is too much money for processing the words of three men. Under the planning activity the department has requested and the Governor has allowed \$133,600. I have allowed \$94,800. I have allowed the five personnel they have listed here as current personnel but applied a \$2,000 vacancy and turnover factor. I have disallowed new hires and have allowed \$2,000 travel as opposed to the department request of \$4,700. The first line of their justification for this travel was that they were called upon to render assistance to various cities and boroughs designing facilities. I submit that if the cities and boroughs need them to design their facilities they can arrange for the necessary

transportation.

Code 300

Contractual Services--The department requested and the Governor allowed \$14,300. I allowed \$4,500 based on line by line evaluation. Major reduction was in Code 390 under aerial photos and topographical mapping. I allowed \$1,500 for Keystone Canyon Park headquarters site and \$2,500 for hurricane broadpass area.

Code 400

Commodities--The department requested and the Governor allowed \$2,300. I allowed \$1,100 making reductions on a line to line basis as judgment dictated.

Code 500

Equipment--The department requested and the Governor allowed \$2,600. This was based on office equipment for new positions which were not allowed and a file to replace a military surplus file. I disallowed the new equipment since the new positions were not allowed and I believe they can make do one more year with their military surplus file.

Maintenance
and Operation

Under Maintenance and Operations the department has requested \$498,400. The Governor has allowed \$438,000, some \$60,400 less and I have allowed \$326,400.

Under personnel I have disallowed overtime, \$6,500 and applied a vacancy and turnover factor of \$500. Under new positions I have allowed one, the chief of maintenance and operations, to oversee the parks and have disallowed the balance.

Code 200

Travel--I have disallowed a course to Argola, Indiana, for the new chief of maintenance and operations where he would presumably learn how to maintain buildings and do janitor work. On inside travel I have allowed all travel requested by the chief maintenance and operations, the park superintendent, the park rangers II and I, have disallowed the ^{park} rangers' travel to Sitka and Anchorage before seasons and reduced park rangers' senior

park maintenance and laborers by the amount I estimated was requested for new personnel.

Code 300

The department requested and the Governor allowed \$33,900. I allowed \$14,500. My reductions were made on a line to line basis based on individual evaluation of each request.

Code 400

Commodities--The department requested and the Governor allowed \$24,800. I allowed \$18,200. My changes were made on a line to line basis based on an individual analysis of each request.

Code 500

Equipment--The department requested \$39,900. The Governor allowed \$30,800. I allowed \$3,000. It appears that there is a lot of rolling stock purchase contemplated here. I suggest this be rented. I allowed office equipment for the new superintendent but disallowed the request for equipment pertaining to the disallowed new hires. Other equipment was allowed or disallowed on a line to line basis as judgment dictated.

Code 900

Interagency charges--I allowed the request of \$6,600 for reimbursement to the Division of Corrections for their crews at Nancy Lake and to the Department of Highways for rented vehicles except the new vehicles which I did not allow.

Construction

Under construction the department requested \$114,400. The Governor allowed \$111,500. I allowed \$108,600. I allowed the three personnel which they call current but applied a vacancy and turnover factor of \$2,000. I have allowed one new position, Civil Engineer III, to head the construction division.

Code 200

Travel--I have allowed \$500, one-half of their request of \$1,000. They requested travel for two men, I allowed it only for one man.

Code 400

They requested \$400. I have allowed \$300.

Code 500

Equipment--They have requested \$2,200 and I have allowed the
\$2,200.

SENATE FINANCE COMMITTEE

The following is Senator Lewis' presentation of the Department of Health and Welfare's budget.

DEPT. OF
HEALTH &
WELFARE

BOOK I

"Since the Health & Welfare Budget is a joint effort between Senator Hensley and myself the following comments are in the nature of recommendations. This budget request is for \$55,700,100, up \$13,306,300 from the previous year's authorized figure of \$42,393,800, an increase of approximately 32%. Last year's budget, it should be noted, was up some 31% over the '69-'70 figure. The Governor has allowed \$53,375,300. I have allowed . The administration program is up more than 25%. This is the overhead on this non-productive department and should increase at a much smaller rate than the overall increase--much smaller. The department request is \$1,945,800. The Governor has allowed \$1,873,900. I have allowed \$1,660,000.

GEN. ADMIN.

Office of
Commissioner
Code 100

The Office of the Commissioner has requested \$182,600, up \$39,000 over the previous year's \$143,600, an increase of more than 27%. I have allowed \$170,100. Reduction amounts to the vacancy and turnover factor for the current personal services, \$4,700.

Code 200

Reduction in travel is \$3,000. This reduction was brought about by disallowing outside travel for the administrative officer, deputy commissioner to Seattle, San Francisco and Portland but allowing the commissioner travel to Washington, D.C., and disallowing inside travel of the information officer.

Code 300

Reductions of small amounts of Code 300 from a \$13,700 requested to \$11,300.

Code 400

Reduction of Code 400 items to last year's authorization of \$1,600.

Code 500

Deletion of Code 500 items concurring here with the Governor's position.

Admin. Svcs. Administrative services still overhead on overhead. This activity is up \$221,000 to \$1,230,500 from the previous year's \$1,009,400, an increase of approximately 22%. The Governor has allowed \$1,179,600. I have allowed \$1,106,900.

Code 100 Reductions in this activity have been vacancy and turnover, \$32,600. Deletion of overtime funding, \$17,150. No new positions have been allowed.

Code 200 Outside travel has been eliminated and inside travel has been reduced bringing the travel budget to \$2,600, comparing to the allowance of \$9,500 and the department's request of \$10,000 and last year's budget of \$7,900.

Code 300 Code 300 items have been reduced by selected amounts in separate categories as it appeared feasible bringing Code 300 to \$82,100, comparing to the Governor's figure of \$89,900 and the department's request of \$93,200 and last year's authorization of \$83,000.

Code 400 Code 400 items have again been reduced in selected amounts as it appeared feasible in the different classifications bringing this commodity group to \$17,600, comparing with the Governor's \$19,900 and the department's request of \$20,200 and last year's authorization of \$15,000.

Code 500 Code 500 equipment, I have allowed \$2,400 concurring with the Governor's allowance as opposed to the department request of \$6,000.

Code 900 Code 900, I have allowed \$23,400 comparing with the Governor's request of \$23,800 and the department's request of \$24,400 and last year's request of \$21,100. These are inter-agency charges. My reduction is a flat \$1,000, still allows a 10% increase over last year.

Comprehensive Planning

In the Comprehensive Planning activity I have allowed \$123,800, comparing to the Governor's \$212,000, the department's request of \$229,400 and last year's authorization of \$197,100. The big actions taken are as follows:

- Code 100 In personal services, I have deleted vacancy and turnover \$1,300.
- Code 200 In Code 200 I have eliminated outside travel and reduced inside travel to \$18,300.
- Code 300 In Code 300 I have allowed communications, printing and advertising, rents and utilities, repairs,, services and alterations, transportation of things, equipment rental, insurance and bonding as requested by the department; I have disallowed other contractual services. These special contract studies are with the University of Alaska and AMU or unspecified special consultant firms into such things as research into patient origins, identifying kachemak areas, identifying "felt wants" of communities, seminars for area-wide planning in order to stimulate interest in area-wide planning, studies in sectors where area-wide planning is not feasible.
- Code 400 Commodities have been reduced from \$2,500 to \$2,000. Duplicating services have been reduced by \$200.

Comprehensive Planning for Defense and Disaster

Code 100

The Comprehensive Planning for Defense and Disaster I have allowed \$4,200, the same as the Governor's allowance, compared to the request of \$5,100 and last year's authorization of \$,900.

Code 200

I have deleted all outside travel and concurred with the Governor's allowance of \$2,500 as opposed to the department request of \$3,400 and last year's authorization of \$2,700.

Facilities Development

In the facilities development I have concurred with the Governor's allowance of \$46,800 as opposed to the department request of \$58,800 and compared with last year's allowance of \$50,500.

Code 200 I have under this function disallowed all outside travel except one trip for the coordinator to Seattle to the regional construction conference. This related to Hill-Burton funds for hospital construction in Alaska. At least it indicates that in this budget request.

Office of Aging The Office of the Aging is up over 48% and is an activity of doubtful worth to the aging. I have allowed \$208,200, compared to the Governor's allowance of \$300,300, compared to the last year's allowance of \$205,400, and the department request of \$303,300.

Code 100 I have disallowed the two new positions which constituted a 67% increase in personnel.

Code 200 I have disallowed outside travel and inside travel pertaining to new hires and an increase in inside travel over last year.

Code 300 Regarding Code 300 items I have allowed rent increase from \$1,700 to \$2,856 to maintain the present staff. The other items I have restricted to last year's authorization.

Code 400 Code 400 I have restricted to last year's authorization--that's commodities.

Code 500 Code 500 equipment I have deleted items pertaining to the new hire and deleted the 16mm movie camera leaving a total of \$400, compared to last year's authorization of \$300, the department's request of \$1,600 and the Governor's allowance of \$1,600.

Code 700 I have disallowed the new activities under Code 700 and temporarily allowed funding of existing activities in the amount of \$129,000.

PUBLIC WELFARE Under the Public Welfare Division I have allowed \$24,980,900, which compares to the Governor's allowance of \$25,913,800, the department request of \$27,193,300, last year's authorization of \$20,346,200. It should be noted that the department request is up nearly 34% or \$6,847,100 which makes it nearly 100% higher than the actual

amount spent in '69 and '70. \$14,345,702--this \$14,000,000 was obviously enough at that time since they lapsed in '70 \$364,298. Division includes the Food Stamp Program, the General Relief Program, the Marriage Counselling Program and the Staff Development Program and the CWS-JC Program, among others. Aid to Families with Dependent Children, Adult Public Assistance.

Administration

The administration activity, the overhead of the Public Welfare Program is up nearly 47% or \$937,800 over last year's allowance of \$2,065,900 to a department request of \$3,003,700, the Governor's allowance of \$2,904,200 and I allowed \$2,550,700.

Code 100

Under the Code 100 personal services I deleted overtime for \$6,000 and vacancy and turnover for \$127,484. I disallowed the new positions in total making the legislative allowance \$2,094,500, against the department request of \$2,406,100 and the 1971 authorization of \$1,743,200 and the Governor's allowance of \$2,343,200.

Code 200

Code 200 travel classification has jumped well over 100% between last year's authorization and the department request--\$50,600 to \$102,700. I have allowed \$52,600. I deleted all new position travel inside Alaska reducing other inside travel line by line as it appeared feasible and logical allowing, however, the full travel request for adoptive services. Outside travel was reduced from \$6,500 to \$900, allowing the director to go to an administration meeting in Washington, D.C., and a regional policy meeting at Seattle.

Code 300

Code 300 is another area with an increase of over 100% from a \$180,700 authorization last year to a request of \$378,600 this year. The Governor has allowed \$356,500. I have allowed \$313,500. The following line item actions have been taken. I have allowed communications \$53,800 up from \$46,600 last year. Printing and

advertising \$2,300--the same as last year. Rents and utilities \$169,000 up from \$108,600 last year. In this area I have deleted the space for the proposed new hires. Repairs, services and alterations I have allowed \$5,900 up from \$3,700 last year deleting a request for \$6,000 for repairs and services to new offices which seemed illogical to me. Transportation--I have allowed \$12,121 down from the request of \$17,800 but equal to the actual amount spent in '69 and '70. Under equipment rental I have allowed \$11,100 up from \$5,800 last year but compared to \$78,600 department request, the principal deletion being air charter for \$643.00 at \$85.00 an hour. I find air charter under transportation where it logically belongs. Under other contractual services I have allowed \$5,000 up from \$2,600 allowed in 1971 but compared to \$11,500 request by the department.

Code 400

Under Code 400 commodities I have allowed \$20,100, compared to the Governor's \$36,600; the department's request \$31,600; last year's authorization \$19,900. Reduction has been made by line items as appeared in my judgment to be logical and feasible.

Code 500

Code 500 equipment I have allowed \$19,800 compared to the Governor's allowance of \$27,500; department's request of \$34,500 and last year's authorization of \$19,800. This figure is made up almost entirely of office furniture and equipment, a vast amount of spending on new equipment which does not appear justified to me under present circumstances.

Staff Development

Under the Staff Development activity, I have allowed \$196,400, which compared to last year's authorization of \$186,700, a department request of \$268,600 and the Governor's allowance of the same. This activity went up \$81,900 for an increase of almost 44%. Actions taken under this activity were as follows:

Code 200

Travel allowance was \$14,000 equalling last year's authorization of \$14,000 compared to the department request of \$21,000 and the Governor's allowance of the same. The request, of course, constituted a 50% increase over the past year. The reduction was accomplished by eliminating outside travel and one inside activity, namely, bringing supervising clerical staff to the district office for a workshop. All other inside travel can be fairly accomplished.

Code 300

Code 300--contractual services, I allowed \$126,300, which compares with last year's authorization of \$127,200, the department request of \$191,500 and the Governor's allowance of the same. The department request here represented an increase of over 50%. My reduction was principally in the area of "other contractual services" which appear highly questionable and of extremely doubtful value.

Code 500

Under the Code 500 equipment, I disallowed executive desk, chair and file cabinet. This equipment related to contractual services already disallowed.

WIN Program

Under the Win Program I allowed \$861,700 which concurs with the Governor's allowance of a like amount.

Adult Public Assistance

Under Adult Assistance I allowed \$7,375,300 again concurring with the Governor but reducing the amount requested by the department by some \$273,000. This is the activity under which comes old age assistance, aid to the blind and aid to the disabled.

AFDC

Under Aid for Dependent Children I again took the easy way out and concurred with the Governor in his figure of \$9,506,400 as compared with the department request of \$9,787,700 and last year's authorization of \$7,750,000.

Food Stamp Program

Under the Food Stamp Program I allowed \$408,600, exactly the figure

authorized last year compared, however, to the department request of \$611,900 and the Governor's allowance of \$556,100.

Code 200

I deleted all outside travel of supervisors relating to the food stamp program and would like to delete the whole program.

General Relief

General Relief is up 43%--\$130,000 above the '71 authorization of \$300,000 for a department request of \$430,000. The Governor allowed \$330,000--I allowed \$300,000.

General Relief Medical

Under the activity of General Relief Medical the department has requested \$2,768,000 up \$1,168,000 from last year for an increase of approximately 70%. The Governor allowed \$2,329,700. I allowed \$2,000,000 even--a flat 25% increase.

CWS-JC

Under Child Welfare Service-Juvenile Code, the department has requested \$1,598,700 up nearly 60% from the '70-'71 authorization of \$1,000,000. The Governor has allowed \$1,581,800. I have allowed \$1,581,800.

Recipient Rehabilitation

Under Recipient Rehabilitation last year's figure was \$200,000. The department has requested \$200,000--the Governor has allowed it and I allowed it. There are federal receipts in this program of \$150,000 and general fund impact of \$50,000.

SENATE FINANCE COMMITTEE

DEPT. OF
HEALTH &
WELFARE

BOOK II

MENTAL
HEALTH

Program
Adminis-
tration

Central
Office

Code 100

Code 200

Code 300

The following is Senator Lewis's presentation of the Department of Health and Welfare's budget.

"The Department request for the Division of Mental Health is up 31% over last year to \$7,721,100 from \$5,867,200--an increase of \$1,853,900. The Governor has allowed \$7,417,600; I have allowed \$6,295,300. Actions taken on the various programs of this division are as follows:

I have allowed \$167,200 for Program Administration. The Governor allowed \$209,100, the Department request was \$222,700 up from \$167,600 last year--an increase of \$55,100 or 33%. A very good gauge of the strength of any business is overhead ratio. In this case the overhead has increased above that of the operation of the Department and is an indication of inefficient operation. I have allowed \$131,200 for the Central Office as compared to the Department's request of \$171,400 and the Governor's allowance of \$165,600.

Under this activity I have allowed all existing personnel but deleted vacancy and turnover and new personnel.

I have allowed outside travel for new hires which I presume to be replacements, and one trip for the Director to U.S. Public Health Service consultations and a trip for the Administrator to Haven Acres to review contracts. I have disallowed the junkets to the conventions and associations. I have reduced inside travel by \$2,100, but have allowed the Director and Administrator to travel unabated.

Under Contractual Services I have maintained essentially last year's level except for Code 390, dues to the National Association of

State Mental Health Program Directors, which increased \$400. I deleted this expense entirely.

Code 400 The last year's level of \$1,100 was maintained. The Governor allowed \$1,300. The Department requested a 100% increase. A line by line study did not convince me of the validity of the request.

Code 500 I have allowed \$600 for replacement of a 14-year old calculator, but disallowed desks, chairs and typewriters for new employees.

Mental Retardation Under the Office of Mental Retardation I have allowed \$36,000. The Governor allowed \$43,500. The Department requested \$53,300 up 60% or \$19,300 from their last year's budget of \$32,000.

Code 100 I deleted the vacancy and turnover factor.

Code 200 I deleted outside travel and reduced inside travel to last year's figure.

Code 300 Under Contractual Services I allowed \$2,500; the Governor allowed \$3,000; and the Department requested \$7,600, up 180% above their 70-71 authorization of \$2,700. My reductions were made on the line item basis as appeared logical and feasible.

Code 400 Under Commodities I allowed \$200; the Governor allowed \$500; and the Department request was \$1,100 up some 520% from last year's authorization of \$200. The principal reason for increase is the projected growth--"Projected Growth of the Opening Door Newsletter". Another state government newsletter is something we do not need.

Code 500 Under Code 510, the Governor allowed \$500 and I allowed \$500. We deleted the new employee's equipment.

Code 900 I allowed \$100, last year's authorization for central duplication services.

Community Mental Health Clinics Under Community Mental Health Services I allowed \$465,900. The Governor's allowance was \$517,800. The Department request was

\$524,800. Last year's authorization was \$455,700.

Code 100 I allowed all current personnel but deleted \$40,000 in vacancy and turnover.

Code 200 I allowed all inside travel and allowed outside travel for inter-state transfers. I disallowed the junkets to the association meetings and conventions.

Code 300 I allowed \$50,700, a reduction of \$2,400 from the Department request of \$53,100. The largest item in this reduction was professional fees and services from \$7,000 to \$5,000. This request was estimated and unsupported. Disallowance for this code was \$52,400.

Code 500 The Department asked for \$3,300 for equipment, an increase of 330% over last year's authorization of \$1,000. The Governor allowed \$500 and I allowed \$500.

Hospital & Nursing Home Care The Department request for this activity is \$437,400, up 63% from last year's authorization of \$268,400. The Governor allowed \$435,400 and I allowed \$364,000.

Code 200 There was no inside travel under this activity. The Department made a request of \$8,000 in outside travel. The Governor allowed \$6,000 and I allowed \$6,000.

Code 300 Under Contractual services for the home contracts of hospital and nursing activity I allowed \$345,600. Last year's authorization was \$250,000; the Department's request was \$417,000, an increase of 68% or \$167,000. I deducted \$71,400 from Code 380 by locating patients in Haven Acres at \$325 per month rather than Hope Cottage at \$750 per month. Hope Cottage is not habitable, and while it is estimated to open 7/1/71, the construction estimates are usually several weeks, if not months earlier than actual completion.

Institutional Service Under Institutional Services I allowed \$5,298,200; the Governor

allowed \$6,108,900; and the Department request was \$6,389,800, up from \$4,871,000.

Code 100 Harborview Memorial Hospital I deleted the vacancy and turnover and overtime from Harborview Memorial Hospital. I disallowed the new personnel, but allowed all current positions.

Code 200 Under travel, I allowed inside travel, disallowed any outside travel to conventions, but allowed outside travel for the new hire. My figure of travel was \$8,300; the Governor's \$8,300; the Department request was \$14,000.

Code 300 The Department requested \$298,600 for Harborview Hospital; the Governor allowed \$256,800; I allowed \$256,800.

Code 400 Under Commodities for Harborview, I allowed \$281,400; the Governor allowed \$281,400 as compared to the Department request of \$297,700 up from \$237,000 last year.

Code 500 Under Memorial Hospital equipment, the Department requested \$21,900; the Governor allowed \$3,700; and I allowed \$3,700. I will check with the Governor's review committee on this. There is a terrific amount of equipment requested here and it would be hard to determine the validity of the request without first-hand knowledge of the Harborview Memorial Hospital.

Code 900 Under Inter-Agency Charges for Harborview, the Department has requested \$226,100, up from \$192,600 last year. The Governor has allowed \$212,100 which I have allowed. However, I am still checking on some of these items.

Alaska Psychiatric Institute Alaska Psychiatric Institute has requested \$3,641,700, up \$819,300 or 29% above last year's budget of \$2,822,400. The Governor has allowed \$3,516,100. I have allowed \$3,038,400.

Code 100 I have allowed retention of all current personnel but deleted vacancy and turnover and overtime. This results in a savings to the state

of some \$402,000. I have, along with the Governor, denied requests for new positions.

- Code 200 I have deleted outside travel which includes a trip for the chaplain to a Chaplain's National Association Meeting. I have restricted inside travel to the maintenance level for a legislative travel allowance of \$12,500, comparing to the Governor's allowance of \$18,200, the Department's request of \$27,500.
- Code 300 Under API contractual services I have allowed \$205,600, compared to the Governor's allowance of \$241,000 and a Department request of \$243,400. These changes have been made line by line in the several classifications as appeared feasible and reasonable.
- Code 400 Under Commodity classifications I have allowed \$270,000, up \$10,000 from last year's figure of \$260,000 comparing to the Department request of \$330,900, the Governor's allowance of \$300,500. This is an across-the-board reduction and I believe reasonable in view of the supplies requested. For instance, volley balls, punching bags, boxing, weight lifting, etc.--\$3,000; health and comfort supplies--\$11,500; combs, brushes, razors, drapes, neckbands, tonic, shampoo, hair oils, wave solutions, manicuring supplies, lotions, etc.--\$5,800; ski jackets--\$720.
- Code 500 Under Equipment, Code 510, the Department has requested \$18,000; the Governor has allowed \$7,300; and I have allowed \$7,300.
- Code 700 Under API Grants, Claims, and Shared Revenues, I have allowed \$10,000 for industrial therapy department. They're putting patients to work and instead of giving them 5¢ an hour we have raised their pay to 10¢ an hour. They say with a budget increase, the Department would be able to provide at least a "modium" of good work, and for the development of good work habits. I don't know about the modium bit, but I hate to think of anyone working for less than 10¢ an hour.

Code 900 Under API Inter-Agency charges I have reduced their car rental from their request of \$20,000 back to last year's authorization of \$15,000 and a request of \$1500 for state surplus equipment unspecified, I have allowed \$1,000.

Hospital Improvement Program Under API Hospital Improvement Program, I have allowed \$90,100. The Governor has allowed \$98,100 and the Department request is \$98,400. Last year's authorization was \$90,000.

Code 100 I deleted vacancy and turnover.

Code 200 I deleted outside travel.

In-Service Training Under API In-Service Training Grant, they have requested \$25,000; last year's authorization was \$25,000; the Governor allowed \$25,000; and I recommend deletion entirely. This is an entirely federally funded project--in other words, free money. Nobody has to pay for it. Here is what we do with this free money. Visit native villages and report living conditions, economy and work opportunities, political and inter-personal structure, patient's role in village life, attitude towards patients and mental illness, special idiosyncratic factors in native society relevant to mental health. You tell us how to do this--we bring professionals up here from the outside with an average airfare of \$389.00, we pay them honorarium and expenses which amount to \$334.00 per day, about \$1,500 per trip per consultant and a plan to bring about eight consultants in would cost \$11,672. We'll require the services of one or two consultants every two or three months in the fields of anthropology and mental health to improve the understanding of the Alaska Native for all personnel at the Alaska Psychiatric Institute. One consultant for communication training for nursing personnel is scheduled every four months. After these consultants on anthropology come up here

and tell us about the idiosyncratic factors in native society relevant to mental health, they will almost certainly drop this program. In fact, the application for federal funds says it is entirely funded under National Institute of Mental Health grant for an immediate period of fiscal year 71 and 72 with renewal possibilities. I think the quicker we get off this kick the better off we'll be.

Mental
Health
Center

Under Mental Health Centers I would recommend dropping completely the Mental Health Center Program. This appears to me to be a complete waste of taxpayer's money when we do not have it to waste. Here is what the narrative analysis says in part: Greater Juneau Borough under Model Cities and either the city of Anchorage or the Anchorage Borough. The Anchorage Mental Health Association is working on the latter. If not needed there it could be used as state grant funds in the event either existing center expands programs under federal grant authorizations. They are, in other words, appropriating money or asking for money just on the chance and hope that they might be able to spend it someplace. And for what? The objective seems to be to comply with somebody's feverish determination to establish Mental Health Centers in every hamlet, village and town. There is no demonstrated need for these mental health centers. We have Harborview and Valdez at a \$2 1/2 million operation and API in Anchorage at a \$3 1/2 million operation. Let us address ourselves to getting the maximum benefit from these well-established, well-equipped institutions.

ENVIRON-
MENTAL
HEALTH

Federal
Program

Code 100

I have allowed \$3,032,800 for Environmental Health; the Governor allowed \$3,267,800; the Department requested \$3,466,200, up from last year's authorization of \$2,931,700.

I have allowed current personnel, but deleted vacancy and turnover.

I have deleted the new positions under the General Environmental Health Program.

Code 200 I have eliminated all outside travel which amounted to junkets to conventions and conferences. I have reduced inside travel to \$38,000. Areas of reduction were the North Slope industrial area and the conferences and consultation meetings. All travel for sanitarians was allowed.

Code 300 Under Contractual Services, I have allowed \$89,100; the Governor allowed \$100,000; the Department requested \$128,200, up from \$87,300 last year. I deleted the rental space which was requested to give the new hires a place to sit and set communications at last year's figure of \$20,000, reduced advertising requests from \$4,500 to \$4,000, set repairs and services at \$2,000, the same as last year, allowed transportation of things at \$7,500 as against a \$10,500 request. I deleted an estimated amount to equal what they had budgeted for movement of household goods for new employees which were not allowed. Equipment rental I set at \$2,000, the same as last year's, as opposed to their request of \$11,500. Deleted here was an unexplained figure for air charter.

Professional fees and services I budgeted at \$5,300, the same as last year. The Department's request was \$6,000. I believe they can live with last year's figure.

Under Code 390, other contractual services, I allowed \$10,000 for in-service training seminars to upgrade services of inspectional personnel. I deleted the contract with AMU for college kids to inspect canneries and a \$10,000 figure unjustified by the hazy sentence to provide more complete water quality control program. The \$10,000 allowed can also pay for subscriptions to professional journals.

Code 400 Under Commodities, I allowed \$7,100, compared to the Department request and the Governor's allowance of \$10,100. My reductions were made line by line as judgment dictated. An example is Code 480. It says here that \$1,400 increase is due to the three new professional personnel budgeted to support the North Slope, Sitka Borough and Juneau Borough. The North Slope is going to be relatively inactive and we are not getting the new personnel so they can do with \$3,000 which is last year's figure rather than the \$4,900 which was their hope for this year.

Code 500 Under Equipment, I have allowed \$13,500, compared to a Department request of \$26,200 and a Governor's allowance of \$23,400. My figure is a result of deleting the equipment which relates to new personnel and concurring with the Governor's recommendation for one new automobile rather than two.

Code 900 Under Inter-Agency Charges, I have allowed \$10,300, which compares with the Department request and the Governor's allowance of \$18,600 and last year's authorization of \$9,000, less than one-half of this year's request. In other words, they have asked for over a 100% increase in this area.

Central duplicating I set at last year's figure of \$1,000. It says the increase is for expanding program and new positions. Rental from highways--it says five automobiles are assigned to regional or district offices. Increase is for new automobiles in Valdez and Sitka. I set this figure at \$8,000, the same as last year's.

Water
Pollution
Control

I allowed \$157,600 for Water Pollution Control, which compares to the Governor's allowance of \$224,600. The Department request was \$318,100 and last year's authorization was \$134,700. It should be noted that the Department's request is up 184% from last year.

- Code 100 I allowed six current personnel and disallowed the request for new positions.
- Code 200 I disallowed outside travel and the inside travel which was budgeted for these prospective new hires.
- Code 300 Under Contractual Services, I budgeted communications at last year's level, and printing and advertising at last year's level, rents and utilities at \$6,000, up from \$3,900 last year, but short \$400 of the Department request of \$6,400. The amount I estimated would be the minimum assignable to the new positions. I allowed \$1,500 for repairs and alterations. They had no provision for this last year and I was not satisfied with the very skimpy information they supplied to support their request for \$3,500. Transportation of things I set at \$1,500 which is \$1,500 above that allowed for 70-71 or 69-70. They had a \$3,800 request, but no valid explanation or justification. They merely say pro-rated share of copying machine, \$500, and air charter other than regular travel, \$3,300. I allowed \$400 for fees and dues to various professional organizations and subscriptions to professional journals.
- Code 400 Under Commodities, the Department requested \$2,700; the Governor allowed \$1,500; and I allow \$1,500.
- Code 500 Under Equipment, I deleted all desks and chairs incident to the new positions and allowed \$4,000 for laboratory equipment to be ascertained by chemists and biologists.
- Water & Sewer Grants I allowed \$2,000,000, the figure requested by the Department and allowed by the Governor.
- Air Pollution Grants I allowed \$50,000, the figure requested by the Department and allowed by the Governor.

K III

DEPT
HEALTH

I allowed \$5,035,900, compared to the Governor's allowance of \$5,400,300 and the Department's request of \$5,684,500. Last year's authorization was \$4,276,300. The request was up this year \$1,408,200, or 33% above last year's authorization.

Program
Adminis-
tration

The overhead is up 44%, predictably higher than the Department as a whole. I have allowed \$491,100; the Governor allowed \$592,200; and the Department request was \$626,000 which is \$192,700 more than last year's \$433,300.

Code 100

Under this activity, I have allowed the 25 current personnel, but disallowed vacancy and turnover for \$50,000 and overtime for \$750. I have disallowed requests for new positions--training supervisor Clerk V and Occupational Health Specialist.

Code 200

Under the travel function, I have reduced inside travel by \$22,600 by eliminating as much as possible the conferences and get togethers but allowing all administrative level and inspection trips. I have eliminated all outside travel except for new hires.

Code 300

Under Contractual Services, I have allowed \$20,300 compared with the Governor's allowance of \$27,900 and the Department's request of \$30,300. Last year's authorization was \$22,000. My allowance is based on a line by line consideration of the various classification and making the best determination possible based upon information available.

Code 400

I have allowed \$5,200 for Commodities; the Governor allowed \$5,800; and the Department requested \$6,100. Last year's authorization was \$5,000. Again, my determination is based on a line by line evaluation.

Code 500

Last year's authorization for equipment was \$3,000. The Department request is \$7,200, the Governor's allowance \$6,800, my allowance \$2,800. My reductions are geared to eliminating equipment antici-

pated for new positions not allowed, and for reduction of IBM equipment where Norelco equipment could be used at half the price or less.

Code 900 Last year's authorization was \$2,500, the Department's request is \$4,800, the Governor allowed \$4,800. My allowance is \$4,100. My figures allow a 50% increase over last year's duplicating, and without new programs and new help should be sufficient.

Community Health Last year's budget for this activity was \$483,600. The Department's request \$570,600 which is up \$87,000. The Governor allowed \$551,200. I allowed \$542,700.

Nutrition Last year's authorization for Nutrition was \$22,600. The Department request is \$37,100, up \$14,500 or 64%. The Governor allowed \$35,000. I allowed \$31,500.

Code 100 I allowed the two existing personnel, but no vacancy and turnover factor of \$3,100.

Code 200 I eliminated outside travel and reduced the number of trips for inside travel allowing one trip to Dillingham to coordinate with Rural-CAP and only one trip to Bethel to coordinate with the OEO, one trip to Fairbanks to consult with the U. of A. and one trip to Anchorage to consult with the Alaska Native Health Service.

Communi- I have allowed \$75,500, comparing with the Governor's \$76,900, the cable Department's \$76,900, and last year's authorization of \$66,800. Disease

Code 100 I have allowed the two current positions.

Code 200 I have allowed outside travel on the condition that it was requested by federal personnel and paid for from federal funds.

Immuniza- Under this function of Community Health, I have allowed \$51,900, tion compared to the Governor's \$55,500, the Department's request of Project \$72,300; which was up \$25,100 from the previous year's authorization of \$47,200, an increase of 53%.

Code 100 I allowed the four current personnel.

Code 200 I disallowed all out of state travel.

Codes 300, 400 & 500 Changes in these Codes were not significant and were arrived at by line by line evaluation and judgment.

Medicare Adminis-
tration I have allowed \$83,800 for this function, the Department requested \$84,300 and the Governor allowed \$83,800. Last year's authorization was \$76,100. This is federally funded this year--another one we can expect to have unloaded on us when we get in a spot where we can't get out.

Laboratories Under laboratories I have allowed \$424,400; the Governor allowed \$439,800; the Department request is \$479,600, up from \$370,300 in 70-71.

Code 100 I have allowed the 21 current personnel and 4 temporary personnel but deleted vacancy, turnover, and overtime. I disallowed all new employees.

Code 200 I allowed travel in and out of the state, which in this case appears to be justified.

Other Codes Except for personnel, I have concurred with the Governor's recommendation in all areas of the laboratories activity.

Office of Alcoholism For the Office of Alcoholism, I have allowed \$392,200, the Governor allowed \$487,600, the Department requests \$587,600. Last year's authorization was \$400,000. It should be noted that last year's appropriation was up 430% above the previous year's expenditures. This year's request is up some 47% over last year.

Code 100 I have allowed the five current personnel, but have disallowed the \$500 in overtime and the new position.

Code 200 In the travel request, I have allowed the coordinator and associate coordinator to travel all over the state as requested, but have reduced the Board members from 139 days of meetings to 60 days of

meetings, with travel and per diem, and, of course, eliminated the in-state travel of the new position, and travel called servicing communities for grant management. I have disallowed all outside travel.

Code 300 I have set Code 300 at the 70-71 figure likewise.

Code 500 The Department request consists principally of office equipment for new positions which I have disallowed. Thus, I disallow both. I have allowed a projector screen and a credenza as requested for the current staff.

Child Health Service For this activity, I have allowed \$493,700--last year's authorization was \$847,800. The increase was \$262,800 or 31%.

Crippled Children's Service I have allowed \$493,700 for this function, the Governor allowed \$508,500, the Department requests \$527,500, and last year's authorization was \$400,000. The Department request is \$127,500 more or 32%.

Code 100 I have disallowed \$1,000 vacancy and turnover and \$3,000 in overtime, but have allowed the 8 current personnel.

Code 200 I am allowing \$96,600 for both inside and outside travel compared with the Department request of \$115,600 and last year's authorization of \$87,800.

Code 300 Under Contractual Services, I have substantially allowed the Department request except for a \$10,000 deletion of a study on how to get parents to pay more of the cost of care of the crippled children. This is an extremely hard budget to cut with the spectre of the crippled child looming before you at all times.

Maternal & Child Health Regarding the maternal and child health services of the Child Health activity, I have allowed \$66,700, the Governor allowed \$72,600, and the Department requests \$78,500--an increase of 35% or \$20,300 over

last year's authorization of \$58,200.

- Code 100 I have allowed the two personnel currently in the program, but have deleted the \$750 vacancy and turnover factor and disallowed
- Code 200 outside travel. I have allowed \$3,400 for inside travel concurring with the Governor's travel figure and comparing with last year's authorization of \$2,900. The Department requested \$9,300.
- Code 300 I have kept the legislative allowance at last year's level with certain unavoidable exceptions such as rent and the big exception-- professional fees and service-- I have allowed \$10,000 for dental care and \$3,000 for professional seminars.
- Code 400 Commodities--I have allowed the Department request except for professional and scientific supplies, \$14,600 worth.
- Under Code 470 items were requested with the following off-handed explanation: textbooks, films, and professional educational materials, immunization supplies. I allowed \$13,300 which was last year's authorization.
- Child Study Center I allowed \$93,500, the Governor allowed \$98,600, the Department requests \$113,900, last year's authorization was \$87,800, so the request is an increase over last year of \$26,100, approximately 30%.
- Code 100 I allowed the four current personnel.
- Code 200 I allowed last year's level of inside travel.
- Code 300 Under Contractual Services I have granted substantially the Department's request except for professional fees and services, which I maintain at last year's authorization of \$28,000, and I have kept the foster home care at last year's authorization of \$12,000.
- Code 380 is too indefinite in what they are requesting. An example is that part of it constitutes payments to these persons making field trips to hold child study clinics in the bush.

Communi-
cative
Disorders

I have allowed \$150,800 for this program, the Governor allowed \$177,400, the Department requested \$187,200, and last year's authorization was \$142,500. This year's request is up \$44,700 or 31%.

Code 100 I have allowed the 8 current personnel, but disallowed the \$4,650 vacancy and turnover factor. I have disallowed the new personnel request.

Code 200 I have reduced the junket to St. Louis, Missouri, under outside travel, but have allowed surveillance of care to Alaskan children at school for deaf and blind at Ogden, Utah. I have reduced the inside travel by \$4,000, but allowed the audiologist and audiometrist all travel requested into the field.

Family Planning Under Family Planning I have allowed \$88,200, the Governor allowed \$118,200, the Department requested \$118,200, up \$19,600 from last year's authorization of \$98,600.

Code 100 I have allowed the 5 current personnel, but disallowed the \$9,500 vacancy and turnover.

Code 200 I have disallowed all outside travel and reduced inside Family Planning travel.

Code 300 Under Contractual Services, I have allowed \$14,500, based on line by line analysis and judgment.

Medical Social Service Under Medical Social Service of the Child Health Activity I have allowed \$22,000, the Governor's allowance was \$23,500, the Department requested \$24,100 which is up \$4,900 from last year's authorized \$19,200, an increase of some 26%.

Code 100 I have allowed the one full time employee.

Code 200 I have allowed last year's level of travel inside Alaska, but disallowed outside travel.

Code 400 I allowed professional and scientific supplies and stationery and office supplies at last year's level--\$600, opposed to the Governor's and the Department's figures at \$1,000.

Registry
Human
Impairments

Code 100 I have allowed the two current personnel, but disallowed the vacancy and turnover factor.

Code 200 I have allowed the Department request for travel within Alaska, but have not allowed the junket to Vancouver, B.C. to observe techniques used there. I did, however, allow this individual an increase of \$200 in communications so that he or she can write to Vancouver, B.C. or even telephone.

Code 300 I reduced the part-time consultant on disease categories from \$2,700 to \$2,000, thus making a level of contract services at \$5,000 as compared to last year's \$5,200.

Public
Health
Nursing

Under this activity, the Department has requested \$1,783,800, up \$483,800 from last year's request of \$1,300,000. The Governor has allowed \$1,750,000. I have concurred with him for that figure. This is, without question, the most worthwhile program in this entire \$55 million budget request.

Home
Health
Service

The Department has requested \$29,200 compared with last year's \$20,900. The Governor has allowed \$29,200, I have allowed \$27,600.

Code 500 The only changes in this budget as far as I am concerned were minor ones in the Equipment Schedule, Code 500. I picked up \$1,400 or \$1,500.

TB Control Under TB Control and Chest Diseases, the Department has requested \$447,100, up \$55,800 from last year's \$391,300. The Governor has allowed their request for \$447,100. I have allowed \$294,300.

Code 100 Under the general function of TB Control and Chest Disease

Activity I have allowed the 12 current personnel, but have dis-
allowed the vacancy and turnover factor of \$1,000.

Code 200 I have allowed all inside travel, but no outside travel.

TB Control Under this project I have allowed the 9 current personnel and have
Project

Code 100 disallowed the \$1,000 vacancy and turnover factor."

SENATE FINANCE COMMITTEE
March 12, 9:25 a.m.

Present: Sen. Rettig, Sen. Koslosky, Sen. Palmer, and Sen. Hensley, and
Mr. F.A. Seymour, Deputy Director of the Alaska Visitor's Association.

ALASKA
VISITOR'S
ASSOCIA-

Sen. Rettig called the meeting to order, and introduced Mr. Seymour
who gave the following presentation:

"The main course of my presentation today will be directed to the
budget of the Alaska Travel Division, now being considered by your
committee. The Alaska visitor industry has been growing during the
last decade at approximately 10 per cent per year, and all the pro-
jected data we have available today indicates that with proper
stimulation by the Alaska State Travel Division our industry could
continue this growth rate. We find that growing competition of
other destination areas, increased advertising costs and local com-
munity requests for assistance dictates that a substantial increase
in the Travel Division's budget is past due.

It is our understanding, at this time, the existing Travel Division
budget before you totals \$875,000. We request an increase in that
figure of \$223,000. Specific recommendations are as follows:

1. Upgrading of the proposed position of research analyst to the
position of research director at a range 20 salary or higher. This
would necessitate an approximate additional funding of \$5,000.

[Here Mr. Seymour showed an example of the type of research which
would be accomplished, a copy of a Hawaii Visitor's Borough Booklet.]

2. The media advertising and printing account, we have been advised,
is now set at three hundred-thousand dollars. We recommend that
this figure be increased by \$100,000, for a total of \$400,000. It
is our belief that additional monies will generate additional traffic
within a 12 month period that will not only replace the monies in-

vested by the State in tax revenue, but will bring an increase in tourist expenditures to 5-10 million dollars in the State of Alaska. We know the state spent in 1970 \$114,000 in media advertising, which resulted in 70,000 inquiries. Of the 70,000 inquiries, it was later determined by research that 14,000 parties actually came to Alaska. An Alaskan party averages 2.3 persons and therefore, this program is a major contributor in bringing 35,000 people to Alaska, at a cost to the state of approximately \$3.50 per person. The average Alaskan tourist spends \$350.00 in Alaska during his stay. The results then are a 100% return for the investment.

[Mr. Seymour showed samples of magazine advertizements the State used.]

3. We request that you budget \$50,000 for the purpose of foreign travel promotion. It is our understanding that there are currently no funds budgeted for this. The Japanese market is ready to be developed. The Japanese now account for 20% of the tourism industry in Hawaii. This developed from almost zero four years ago. There is now available at group rates for 40 or more persons, \$250.00 round-trip air fares from Tokyo to Anchorage to Fairbanks. Our industry is now preparing a travel mission to Japan in mid November. We will be expending thousands of dollars in advertising and sales promotional activities to develop this market. We would appreciate something more than a token assistance by the State. There is the possibility that matching funds, dollar for dollar, may be available for this type of program from the United States Travel Service after July 1, 1971.

4. We request the funding for the position of a visitor facility development coordinator at an estimated total cost of \$25,000. This individual should be concerned with the balanced development of both private and public facilities concerned with the visitor industry

throughout this vast area. It is our understanding there are no funds currently in the budget for this position.

5. Matching Fund Grant Program. It is our understanding that this fund is currently at \$50,000. We request that it be increased by \$36,000 to a total of \$86,000. There are four grant programs.

1. Matching Fund Program for the operation of visitor information centers in communities.

2. Matching Fund Program for funds for the printing of community brochures.

3. Matching Fund Program for upgrading and maintenance of visitor attractions. (totem parks, etc.)

4. Matching Fund Program for the creation and installation of adequate markers and signs.

6. Travel Account. It is our understanding that this account is now set at \$27,500. We respectfully request that it be increased by \$7,000. Obviously we cannot expect people in the Travel Division to sell Alaska inside Alaska and therefore travel outside Alaska is absolutely necessary. At the same time travel within the state by representatives of the Travel Division is necessary to facilitate coordination on a state-wide level of an industry that ranges from Ketchikan to Barrow.

We therefore, gentlemen, respectfully request that you add to the Travel Division budget \$223,000 for an approximate total Travel Division budget of 1.1 million dollars. I cannot stress too strongly that this is not an expenditure, but an investment. You can provide jobs (payroll) and cash register sales throughout the length and width of Alaska with this small, but vital investment."

Adjournment: Meeting adjourned at 9:55.

SENATE FINANCE COMMITTEE
March 15, 10:45 a.m.

Present: All members except Senator Hensley.

Chairman Butrovich called the meeting to order and said that he had some bills to be researched.

Bill Senator Butrovich assigned the following resolution and bills:
Assignments

SCR 28 (relating to juror's fees) -- Sen. Ray
HB 59 (appropriation to Dept. of Public Works -- Sen. Butrovich
CSHB 62 (appropriation to Bond Committee)--Sen. Ray
HB 67 (appropriation to Military Affairs) -- Sen. Lewis

Sen. Butrovich told the Committee that the only breakdown of the Governor's that has reached him is the one for the Department of Natural Resources. He said that he had talked to Governor Egan on Friday and he had said he would contact his review people to get the breakdowns to the Committee.

15 Sen. Lewis reported on SB 15 (An Act relating to state aid for school construction to organized boroughs and cities which are school districts; and providing for an effective date.) He stated that if Kenai/^{people}had bonded themselves and gone into debt they would have gotten this money. The legislature can either say they are out of luck or pass the bill and fund it to a degree. Sen. Lewis felt the bill should be funded.

Sen. Ray disagreed because he felt the bill was asking that they be paid part of the original cost of the building and not debt service.

Sen. Palmer stated that under the bill passed last year the state is paying not only debt service, but half of the principle.

Sen. Rettig said that debt service includes interest and principle.

He then asked what the required payments for this would be, and Sen. Lewis replied that the total amount was \$916,500, but that

it would be up to the legislature to decide how to pay it.

Sen. Butrovich said that they would have to ask the Department for a list of which bonds were paid.

Sen. Ray felt that they would have to go back and figure out the debt service for 20 year bonds and pay the money less the debt service.

Sen. Rettig stated that instead of reimbursing them for cash they should be reimbursed for years unfunded and what would have been the debt service on that amount of money. He said that it wouldn't be a life-time deal, but just for those two years.

Sen. Ray stated that that was the same thing he was talking about.

Mr. Dean stated that he had talked to Bob Thomas who had said that the majority of the bonds were on a 20 year basis.

Sen. Butrovich asked Sen. Rettig if he would work on the bill and he agreed.

Adjournment: Meeting adjourned at 11:05 p.m.

SENATE FINANCE COMMITTEE

DEPT. OF
MILITARY
AFFAIRS

Senator Lewis and Senator Kosolosky are the subcommittee on the Military Affairs budget. The following review is Sen. Lewis's and is in the nature of a recommendation. It will require Sen. Koslosky's approval before being submitted as a final budget review. "The Military Affairs budget is made up of three programs: the Alaska National Guard, the Alaska Disaster Office, and the Civil Air Patrol. Last year's authorization was \$1,503,200. This year's request is \$1,877,200, an increase of \$374,000 or 25%. The Governor has allowed \$1,787,600. I have allowed \$1,473,800.

The Department has requested 71 full-time positions, an increase of four; the Governor has allowed 70, an increase of three; I have allowed 67. The Governor's figures I am quoting are taken from the red budget document made available to us early in the session.

ALASKA
NATIONAL
GUARD

Under the Alaska National Guard program, last year's authorization was \$1,024,900. This year's request is \$1,328,100, an increase of \$303,200 or 30%. The Governor allowed \$1,288,000. I allowed

OTAG &
State
Armories

\$1,013,700. Under Office of the Adjutant General and State Armories, last year's authorization was \$581,600; the Department's request was \$756,000, an increase of \$174,400 or 30%; the Governor allowed \$715,900. I allowed \$544,500.

Code 100

The personnel request was for 25 people, an increase of one position over last year. The Governor allowed 25. I allowed 24. The Department request is \$412,000 over last year's authorization of \$348,900. The Governor allowed \$414,000, an increase of approximately \$65,000. I allowed \$394,400. I applied a vacancy and turnover factor of \$9,000 and allowed no new positions.

Code 200

Last year's authorization for travel was \$15,500. The Department

requested \$23,100, an increase of \$7,600 or almost 50%. The Governor allowed \$21,100. I allowed \$7,800, based on line item reductions--I eliminated naval reserve travel altogether, reduced outside travel to what I considered a bare minimum, and reduced inside travel.

Code 300 The Department requested \$123,900 for contractual services, up \$23,400. The Governor allowed \$118,000. I allowed \$94,200, based on line by line reductions.

Code 400 Under Commodities, the Department requested \$54,500, the Governor allowed \$52,500, I allowed \$42,100 based on line by line evaluation.

Code 700 The Department requested \$89,400, an increase of \$84,400, the Governor allowed \$64,400, I allowed 0. This is the new program of recruitment and retention authorized last year.

Code 900 I allowed \$4,000 for janitor at Bethel and disallowed the new maintenance mechanic salary for Federal Scout Armories and disallowed the \$33,400 maintenance request. This code item will be subject to subsequent review.

Air
National
Guard Last year's authorization was \$233,800. This year's request is \$289,400, an increase of \$59,600 which the Governor allowed. I allowed \$243,900.

Code 100 Under personnel the Department requested 17 bodies. The Governor allowed them, and I allowed them. However, I applied a vacancy and turnover factor of \$2,000 against the \$171,000 cost figure. I also disallowed the overtime of \$2,000--there was none requested or authorized last year. I did not allow the new positions of Guard I and Custodial Worker II.

Code 300 The Department requested \$52,400 and the Governor allowed it. I allowed \$45,100, based on line by line reductions. The objective of the reductions was to keep the expenditures at last year's level when possible, letting them rise only the minimum necessary above

when not possible.

Co 400 Last year's authorization for commodities was \$35,000. This year's request is \$49,900, an increase of \$14,900 or 43%. The Governor allowed \$49,900 and I allowed \$31,800.

Code 900 There's a new request this year under Department of Highways inter-agency charges for \$1,000, which the Governor granted. Justification for the request is "Anticipated use by Department of Highways for signs formerly budgeted under 390." If the Department of Highways uses signs, they should pay--not the Department of Military Affairs. Request disallowed.

Army
National
Guard Last year's authorization was \$30,300. This year's Department request and the Governor's allowance are \$33,100. My allowance is \$32,100. Reductions were made on a line by line basis.

Code 300 Last year's authorization for contractual services was \$50,700. This year's Department request and the Governor's allowance are \$82,700. My allowance is \$54,300.

Code 400 Last year's authorization for commodities was \$20,400. The Department request this year and the Governor's allowance are \$32,600. My allowance is \$21,700 based on reduction in line items.

Code 900 Under Inter-Agency Charges, the request of \$16,500 is disallowed. This is based on the activities of a new employee who was not allowed. The Department request and the Governor's allowance are \$165,300. My allowance is \$136,300.

Federal
Scout
Armories The Department request, the Governor's allowance and my allowance concur on 6 men. The funds requested by the Department and allowed by the Governor were \$115,700. I reduced these by \$3,000 on a vacancy and turnover factor applied. I disallowed all new positions.

Code 200 I allowed last year's figure of \$23,600. This year's request is

Camp
Carroll

ALASKA
DISASTER
OFFICE

Adminis-
trative
Program

Code 100

Code 200

Code 300

Code 400

Code 900

Community

Shelter

Code 100

Code 200

Code 300

Code 400

Radio-
logical
Program

\$12,400 above that--\$36,000. I did not allow the increase.

The Department requested \$34,700. Both the Governor and I allowed it. This is a 100% federally funded project.

Last year's authorization was \$394,500, the Department requests \$426,000 and the Governor allowed it. I allowed \$387,400.

The Department requested \$242,800 and the Governor allowed \$242,800. I applied vacancy and turnover factor of \$10,000 and disallowed the overtime.

The Department requested \$18,300, the Governor allowed \$12,300, and I allowed \$11,600. Most reductions were in out-of-state travel.

The Department requested \$18,400 and the Governor allowed the same. My allowance is \$16,300--reductions made on a line by line basis.

The Department requested \$5,600 and the Governor allowed the same. My allowance is \$4,200--reductions made on a line by line evaluation.

The Department requested \$4,900 and the Governor allowed the same. My allowance is \$3,200 based on 70-71 authorization.

Under this program I disallowed overtime of \$600

The Department requests \$2,000 and the Governor allows the same. My allowance is \$1,400. Reductions were made in out-of-state travel.

The Department requests \$2,200 and the Governor allows the same. My allowance is \$1,400.

The Department requested \$700 and the Governor allowed the same. My allowance is \$400.

The Department request and the Governor's allowance for this program are \$31,100. My allowance is \$26,600, the same as last year's authorization. This program, while completely federally funded is also a complete waste of money. It's goal is to keep radiological defense instruments in operating condition to insure their usability

in the event of nuclear war. There is no nuclear war programmed in spite of the massive publicity campaigns to keep our attention on this flight peddler's dream.

Code 200 I disallowed outside travel and restricted inside travel to last year's level.

Dusting The Department requested \$25,000 and the Governor allowed the same.
Program I allowed \$18,000.

CIVIL The request is \$123,100 up \$39,300 or 47%. The Governor's allowance
AIR is \$73,600 and my allowance is \$72,700.
PATROL

Code 200 The Department requests \$7,200 for travel. The Governor allowed \$5,500 and I allowed \$2,100.

Code 300 The Department requests \$63,400. The Governor's allowance is \$34,400. My allowance is \$47,100.

Code 400 The Department request is \$29,500, the Governor's allowance is \$23,700, and my allowance is \$19,500.

Code 500 The Department request is \$13,000. The Governor's allowance is Ø. My allowance is \$4,000. I deleted the two sedan vehicles and one-half of the radio equipment, allowing \$4,000 for long range radio equipment in the aircraft.

Code 700 The Department requests \$10,000. The Governor's allowance is \$10,000. My allowance is Ø. Under the State's austerity program they will have to find funds elsewhere for weekend training and civil defense exercises and cadet scholarships for flight training. Rebuilding aircraft is covered under allowances elsewhere in the budget."

SENATE FINANCE COMMITTEE

March 17, 1971

1:30 p.m.

Present: All members were present with the exception of Senator Hensley. Also present were Brad Phillips and Mr. Blanc, a shipbuilder from Warren, Rhode Island.

General: Chairman Butrovich opened the meeting by asking Brad Phillips to introduce Mr. Blanc. Mr. Phillips explained that Mr. Blanc is in the ship building business and that with the state's interest in purchasing ferries, he felt the committee might be interested in savings Mr. Blanc might be able to offer the state.

Mr. Blanc explained that he has a shipyard and builds and sells ferries. He builds ferries on "in-house" designs to specifications and qualifications of buyers--which is where the big savings come. He has concentrated on passenger and vehicle type vessels for the past 12 to 15 years. Mr. Blanc, giving an idea of what he can do, said his shipyard can build a ferry for 20 cars, with three down-the-middle lanes for anything that can be driven on the road, which would be certified for 300 passengers, could be driven up to 18 or 19 knots, built for a cost of approximately one to one-and-a-half million dollars--and delivered to Seattle or anywhere for that price. Another ferry they have designed but haven't actually built, would be larger--220 feet for 40 cars, 500 passengers, could be driven up to 20 knots and would cost considerably under three million dollars. This would have quarters for the crew and day space for passengers. Either vessel could be delivered to Alaska in less than a year. He pointed out the fact that there is an advantage in doing business with a yard based on performance, one usually doesn't have to go through so many different hands. Mr. Blanc added that the State

would still go out to bid and thus put it on a performance basis-- at least two or three yards would come in on it. Mr. Blanc stated that if a naval architect makes a mistake on a vessel, the purchaser is stuck with it. However, when business is done with a yard, the yard is responsible and can be held accountable for any mistake and if the boat doesn't perform, the money will be returned.

Senator Lewis asked if Mr. Blanc could give them a proposal and he replied that the State would have to stipulate all the things they want the boat to do and be and then call for three plans: a general arrangement, a construction plan, and another plan for the interior arrangement etc. The bidder would also have to produce a set of outline specifications which would tell exactly what would be delivered. The contract could actually be awarded on the performance. The contract states all the performance data that is in the bid terms as to what the yard has to perform and the yard has to put up a bond. Senator Lewis asked the percentage of savings in going to a shipyard rather than a naval architect, and Mr. Blanc answered that he could save a buyer 25 or 30%. He pointed out that a different design would be developed although it wouldn't be much different than the type Alaska has used before. He felt that, as a shipyard builder, he has two basic advantages and one disadvantage. His advantages are (1) that he doesn't have to take someone else's technique and develop it and (2) that labor rates in Rhode Island are the lowest anywhere in the states. The disadvantage is the delivery.

Chairman Butrovich asked whether Mr. Blanc planned to meet with the Department of Public Works and the reply was yes, tomorrow.

Senator Palmer asked the differences between Mr. Blanc's prospective ferry and the ferries being used in southeast Alaska today. Mr. Blanc replied that he liked building simple but strong boats meeting

all of the requirements. Thus, the general arrangement would be somewhat similar, but more straightforward.

Senator Palmer asked if the ferry would be able to meet all of the demands (same capacity, same seaworthiness, etc.) and still save the state 20 to 30% and the answer was yes. Mr. Blanc stated that the basic hull structure would be a little different but stressed that it would be just as strong and efficient.

Sen. Palmer noted that Mr. Blanc's experience seemed to have been with vessels somewhat smaller than what the State needed, but Mr. Blanc replied that he has been qualified to build a boat up to 250 feet.

Chairman Butrovich requested copies of any written proposal might submit after talking with the Department of Public Works. He pointed out that the Committee has had quite some experience in ferries and since they do appropriate money for them, they would like to keep informed.

Senator Rettig asked if bidding would be done in the same way as for bulldozers and the answer was yes.

Senator Lewis asked the amount of time which would be necessary for delivery and was told that a 220 foot vessel would take 10 to 11 months.

Mr. Blanc gave the Committee an example where if \$4 million would be appropriated and the project goes out for bids, the bids coming in might be too high. He went on to say that if the State dealt with him they would know ahead of time what the cost would be and would not have to go out for bids a second time.

CSH 62

Senator Ray moved and asked unanimous consent that COMMITTEE SUBSTITUTE for HOUSE BILL 62 (Act making a supplemental appropriation to the

State Bond Committee) be brought up for discussion. There was no objection and it was so ordered.

Sen. Ray explained that the Committee Substitute passed by the House deletes \$180,000, which can be deleted since the first interest payment on bonds which may be offered during this fiscal year will not be due until 6 months after their date, which would be in the 71-72 fiscal year. Sen. Ray went on to explain that the House Committee Substitute also deletes \$265,000 expended in payment for certain Department of Highways and Department of Fish and Game ASHA rental payments--(Dept. of Highways, \$249,700 and Dept. of Fish and Game, \$15,500). He felt that as long as this \$265,000 has to be paid, that it should go back into the bill.

Sen. Rettig raised the question of whether ASHA bonds are revenue bonds, in which case they could not go under a GO bond appropriation. There was considerable confusion on this matter and so the staff was directed to look into it further.

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

SENATE FINANCE COMMITTEE

March 18, 1971

1:30 p.m.

Present: All members were present with the exception of Senator Hensley. Also present from the Dept. of Military Affairs were the following: General Elmore, Adjutant General; Colonel Byington, Financial Fiscal Officer; Lois Richardson, Administrative Assistant to Colonel Byington; Mr. Arthur Charney and Mr. Ronald Lind of Budget Management.

General The meeting was opened by Chairman Butrovich. Senator Ray moved that the meeting be an executive session. No objections--so ordered. Chairman Butrovich turned the meeting over to Senator Lewis, subcommittee chairman. Senator Lewis said that he and Senator Koslosky have been working on this budget. He asked General Elmore to explain what changes they are suggesting in keeping with the Governor's cut.

DEPT. OF
MILITARY
AFFAIRS

General Elmore distributed a memo to the committee regarding this matter [attached]. He remarked that he felt the military budget had always been austere and that the Dept. of Military Affairs had never been in the habit of padding the budget. He quickly reviewed the memo for the committee stating that travel was necessary for training and they could not afford any cuts in this area. In OTAG and state armories under grants, claims and shared revenue (700) he stated that he could not promise that they would not come back next year and ask for the \$7,200 they are now deleting from the recruitment and retention program. He also noted that under Inter-Agency Charges (900) regarding the \$10,000 deleted from maintenance and repair of facilities that a 5-man maintenance team has been formed; part of the people

are paid 100% by the federal government to work on federal armories and the others by the state for state armories. They'll be sent throughout the state to do work for the scout battalion armies. He stated that he feels they can use these men and save the \$10,000 on maintenance cost by cutting the Division of Buildings out of this budget.

Senator Ray asked about the dusting program (page 160 of the budget book). General Elmore explained that the Corps of Engineers ran test programs on this and they have proved the point that dusting does help in getting rid of ice on the river. Now that the point of the dusting program's success has been made the Corps of Engineers is pulling out and it's up to the state whether or not the program will be continued.

General Elmore stated that the Military Department has been dropped below the maintenance level--the armory at Juneau is actually the best maintained armory in the state but most of the other ones are really in need of maintenance and are constantly used by communities for every conceivable function. Sometimes reimbursement for use is received but most of the time it is not. Also, when reimbursement is received it goes directly into the general fund instead of into their budget for maintenance.

Senator Lewis asked the question what would happen if the Anchorage armory exterior wasn't painted and the Bethel armory floor wasn't sanded and General Elmore replied that the exterior of the armory would just look more shoddy and the hardwood floor would deteriorate and would hamper the use of the school there that uses the armory as a gymnasium.

Colonel Byington stated that the armory is maintained in Juneau by voluntary help but this help isn't always available in other areas although there are roving mechanics that might help with maintenance eventually.

Senator Lewis wanted to know if it was necessary for the officers to go to the graduation exercises and General Elmore replied that he felt it was important for morale.

Senator Lewis asked if tape recorders and lawn mowers could be deleted and General Elmore replied the recorders are used to instruct Eskimos who have trouble reading the instructional materials and if grass isn't kept cut it can become a fire hazard. Senator Lewis asked what would happen if the recruitment and retention program could not be funded this year and General Elmore replied that if these bonuses were not paid that he felt it would be a breach of contract. Senator Lewis asked how many troops have been added and General Elmore replied that there are 750 in the Air Guard which is a phased increase--the reenlistment bonus is to keep the people who are already in in.

Senator Rettig asked about the rental of the additional space in the McKay Building and wondered if it was under the jurisdiction of the state and Mr. Charney replied yes but that he didn't think it was going to save dollars for the general fund--another department will just rent the space.

Senator Ray asked about the Civil Air Patrol noting that the department had requested \$18,000 for the overhaul of two out of three aircraft. General Elmore pointed out that these aircraft are used for search and rescue and are definitely needed. Senator Ray said he certainly agreed and he felt money should be allocated to overhaul all three planes rather than just the two. Senator

Koslosky agreed as he feels these planes are very important. Senator Palmer asked about the difference in cost of training new guardsmen and the retention of existing ones. Where are the added cost for new men? General Elmore replied the additional costs are in the initial recruitment so it is an indirect cost to the Military Dept.

Recess

The Military Affairs personnel left and the meeting was recessed at 2:30 p.m. for ten minutes.

After Recess
2:40 p.m.

MILITARY
AFFAIRS

Chairman Butrovich called the meeting back to order.

Sen. Lewis began to go through the Military Affairs budget, giving his recommendations for budget figures, line by line.

CIVIL AIR
PATROL

Sen. Lewis recommended a total CAP budget figure of \$73,100, as compared with the Governor's original budget figure of \$73,600, and the Governor's revised budget figure of \$92,600, \$19,000 being added for the overhaul of two of three airplanes requiring repair and overhaul.

Code 200

Under Travel, Sen. Lewis's recommendation is \$24,000 . breakdown as follows: Code 210, \$1,500; Code 220, 0; Code 230, \$900. Decreases are in Codes 220, where \$1,500 was requested for Per Diem, and Code 230, outside travel, where \$4,200 was requested. Sen. Lewis explained that he was disallowing all outside travel except for travel to pick up aircraft and the national CAP Commander's Conference in Montgomery, Alabama.

Code 300

Sen. Lewis recommends a figure of \$47,100 for Contractual Services, broken down as follows: Code 310, \$500; Code 320, \$500; Code 330, \$2,500; Code 340, \$38,500; Code 350, 0; Code 360, 0; Code 370, \$5,000; Code 380, 0; Code 390, 0. He explained that Code 340 is where the repair for the aircraft is to be added back in.

LEG INTENT

Sen. Ray asked that there be LEGISLATIVE INTENT that the three aircraft be put back in for \$9,000 a piece, so that the Committee can be assured that this money being added back in will not be used for other purposes.

Code 400

Sen. Lewis recommended a figure of \$19,500 for Commodities, broken down as follows: Code 410, 0; Code 430 0; Code 440, \$9,000; Code 450, \$1,000; Code 460, \$9,000; Code 470, 0; Code 480, \$500; Code 490, 0.

Code 500 Sen. Lewis recommended a figure of \$4,000 for Equipment, allowing \$4,000 for radio equipment for four Beaver aircraft, but disallowing an additional \$4,000 for radio equipment and disallowing the \$5,000 for a sedan.

Code 700 Sen. Lewis recommends deleting the \$10,000 for Grants, Claims and Shared Revenues.

[Sen. Palmer left at this time for another meeting.]

Sen. Lewis justified some of his cuts because the only justification given was "continuing at present level." Mr. Charney explained that oftentimes when a program has no changes, and has been justified in previous years, the departments have not felt it was necessary to come in again with a complete justification.

Sen. Ray raised a question about deleting the \$10,000. He said that he had some recollection of intending to delete this item last year, but there being some reason why this could not be done. He requested that the staff look into this before a final determination is made.

ALASKA
NATIONAL
GUARD

Sen. Lewis recommends a total for Alaska National Guard of \$1,013,700 as compared with the Governor's original allowance of \$1,288,000 and the Governor's revised allowance of \$1,003,100.

OTAG &
State
Armories

Going on to the Alaska National Guard, Sen. Lewis felt that it was important that the Committee settle how they feel about the Reenlistment and Recruitment programs. There is \$64,400 in OTAG and State Armories for Reenlistment and Education bonuses, which Sen. Lewis recommended deleting.

HB 67 There is currently a supplemental, HOUSE BILL 67, for reenlistment bonuses in the amount of \$20,000, and this bill Sen. Lewis recommends do pass. However, he felt that after fulfilling the obligation

this year, the state should cease paying these bonuses. Sen. Ray objected to this idea, because he said that legislation is on the books requiring that these be paid, and he felt it is in bad faith to pass legislation and then not fund it.

After considerable discussion, Sen. Rettig recommended that a Finance Committee bill be drawn up to repeal the legislation providing for the bonuses, not necessarily to be introduced, but for the full committee to consider introducing. After further discussion on the importance of the reenlistment bonuses, Sen. Rettig moved that the bill be drawn up to repeal just education bonuses. Sen. Ray objected. On vote, the motion carried 4-1.

It was moved and unanimous consent requested that HB 67 be reported out of committee with a "do pass" recommendation. No objection, so ordered.

Returning to the budget, Sen. Lewis said that the rest of his cuts are minimal with the exception of maintenance in OTAG and state armories. Here the question was raised about needing a new door put on the Juneau Armory because of the Outer Drive coming in. Mr. Charney felt that this might be able to be paid for by the Highways Program, and at any rate, it was noted, depending on when the Outer Drive will be constructed through the area by the Armory, it may not be necessary to fund this this year. The staff was requested to look into this further. Sen. Lewis said that he recommends deleting all the maintenance projects, with the exception of the Sitka Armory which must be repaired as the roof is falling in. Sen. Ray suggested that he check into the needs at the Nome Armory also, as they have in the past been having trouble with their facility. The problem of funding of the budgeting changes, and the fact that the committee cannot really tell when their cuts are from the general

fund and when they are from federal receipts was brought up, and also the fact that the Governor's budget changes that came in only show the general fund changes, but not totals. Sen. Butrovich expressed the feeling that it will just be necessary for the committee to work independently of the Governor's budget, just using it as a guide. Sen. Lewis, in closing, said that the total he came up with for Military Affairs is \$1,473,000 as compared with the Governor's figure of \$1,787,600. He figured this is about a \$300,000 cut in general fund.

Adjourned: Meeting adjourned at 4:00 p.m.

SENATE FINANCE COMMITTEE

DEPT. OF
HEALTH &
WELFARE

CORREC-
TIONS

The following is Senator Lewis's presentation of the Department of Health and Welfare, Division of Corrections, budget.

Last year's authorization was \$7,416,900, which itself was up from the year before's figure of \$6,492,400. This year's request is \$9,762,900, an approximate 50% increase in two years. They have asked for an increase this year of \$2,346,000 or 32%. The Governor has allowed \$9,501,900 or 28%. I have allowed \$7,689,900.

Adminis-
tration

Under the Administration activity, the overhead portion of this budget, the Department requests \$1,623,500 up \$595,000 from last year's \$1,028,500 and the year before's \$840,200. This represents an increase of 58 % and nearly 100% increase in two years. The Governor has allowed \$1,517,400. I have allowed \$1,148,400.

It might be worthy of note as we start to review this program that the goal set is "to provide as much service to the public offender as is possible within his hometown setting." It appears to me that perhaps a more legitimate goal would be to provide as much service as possible to the law abiding taxpaying citizens of this aforesaid hometown.

Code 100

This budget has currently authorized 74 full-time positions and 9 part-time positions for an annual payroll of \$840,000. They have requested 78 full-time positions and the payroll of \$1,161,400. The Governor has allowed all requested positions and the requested payroll amount. I have allowed the 78 full-time positions, but applied a vacancy and turnover factor of \$126,800, which was existing in 70-71 and deleted from this year's request. I have disallowed all new positions, which include 3 probation officer II's. These probation officers are requested because of a federal program which

was initiated and the funds of this program are now being cut off. This is an example of the traps we are led into when we take advantage of what has come to be considered free money from the big brother federal government. I have disallowed a clerk steno II in Anchorage based on the same rationale. Here is what the justification states: "Without a person to devote full time to this area of administration, Alaska cannot take advantage of this new source of outside funds." The new source of outside funds turns out to be federal funds again, which can be cut off, and without doubt, will be in a year or two. The position, it says, will develop grant budgets and review applications for grants---Sucker bait! Another position I disallowed was probation officer II (male), permanent full-time in Juneau. It says the purpose of the project is to increase probation-parole services in the Juneau Model Cities area, developing and implementing new and innovative programs to serve its clientele. I also disallowed a probation officer II (female), permanent full-time, whose job is to increase probation-parole services in the Juneau Model Cities area, develop and implement new and innovative programs to serve its clientele.

Code 200 Last year's authorization for Transportation was \$32,000. The Department requested \$51,200, an increase of \$19,200 or 60 %. The Governor allowed \$46,100, I allowed \$28,600. My reductions in travel were based on a line by line analysis. I allowed some outside travel which appeared necessary and desirable.

Code 300 Under Contractual Services, the request is \$135,400, an increase of \$45,400 over last year's \$90,000, more than a 50% increase. The Governor allowed \$112,000, I allowed \$94,800. My reductions were made on a line by line evaluation based on an effort to cut out the