

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2614

unnecessary expenditure and predicated on the fact that the Correction Division is dealing with convicted law-breakers and is not a young ladies finishing school or a boarding school for boys.

While hard work is a wonderful rehabilitator and restorative, watching television probably had something to do with getting them into the institutions in the first place.

Code 500 The Department has requested \$30,300, up more than 50% from last year's \$20,000 and up 250% from the 1970 figure. The Governor has allowed \$26,300, I have allowed \$1,600. My figure was predicated on no new positions and a minimum of replacement of old equipment.

Code 900 Under Inter-Agency Charges, relating to vehicle rental, the Department has requested \$32,600, the Governor has allowed \$26,300, and I have allowed \$23,700, which is twice that used in 69-70.

Care of
Prisoners

This activity includes the Adult Camp, the Anchorage State Jail, S.E. Regional Correction Center, Northern Region Correction Center--today's euphemistic terminology for jail, Ketchikan State Jail and Detention Home and "other".

Last year's authorization was \$3,881,800. The Department requested \$4,825,700, an increase of \$943,900 or 24%. The Governor allowed \$4,375,300, I allowed \$3,965,700.

Adult
Conserva-
tion Camp

Code 100 The Department has requested for current personal services \$381,00, an increase of \$76,000 with no increase in personnel. The Governor has allowed the \$381,000, I have allowed the 24 current personnel, but disallowed the Department request for overtime increase of \$38,765 and reapplied last year vacancy and turnover factor of \$4,100. I have disallowed new positions including the Executive Order positions.

Code 200 I disallowed outside travel to Pittsburg, Pennsylvania, but allowed

all in-state travel

- Code 300 Under Contractual Services, the Department request was \$71,900, the Governor's allowance \$71,500, my allowance \$ 57,800, based on line by line evaluation. I have allowed periodicals, newspapers and professional journals for inmate recreation and education, but disallowed community college tuition for inmates and staff and disallowed \$25 per hour to the University of Alaska for staff training. I made other reductions where it appeared feasible.
- Code 400 Under Commodities, the Department requested \$164,200, the Governor allowed \$160,000, I allowed \$140,500 . Reductions were made on a line to line basis and represent a determined effort to keep an appropriation down to last year's figure by cutting out the frills and unnecessary expenditures. One such typical item is the publication of the Williwaw Journal.
- Code 500 Under Equipment, the Department requested \$4,800, the Governor allowed \$4,800, I allowed \$2,700 , based on line by line determinations.
- Code 700 Under Grants and Claims, there is a Department request of \$37,000 for inmate wages. I have allowed \$35,000, up \$3,000 from last year's authorization.
- Code 900 Under Inter-Agency Charges, the Department requests \$39,200, the Governor allowed the same, I allowed \$35,700 based principally upon the elimination of the vocational rehabilitation counselor to work in the Public Denfender's Program, and a Department of Education charge of \$500 for something.
- Anchorage State Jail Under the Anchorage State Jail, the Department request is \$652,900 up \$145,700 from last year. The Governor has granted this request. I have allowed \$490,500 .
- Code 100 I have allowed the 26 current positions, but reapplied the vacancy

and turnover factor of \$3,700 and disallowed the increase in overtime of \$40,412.

- Code 200 I have allowed in-state transportation request of \$7,600 , but disallowed outside travel to Miami.
- Code 300 The Department requested \$96,300, the Governor allowed this figure. I have allowed \$71,000 . My allowance was \$71,000 compared to last year's figure of \$60,000 . The Department request was more than 50% over last year's. I have disallowed the film rentals and the Anchorage Community College charges.
- Code 400 The Department requested \$119,700 up \$29,700 over last year's \$90,000. The Governor allowed this figure. I allowed \$44,100 , reductions based on line to line analysis.
- Code 500 Department request, Governor's allowance, and my allowance are \$1,700.
- Code 700 The Department request, Governor's allowance and my allowance are \$5,800. This is based on a request of \$1 per day wages for the working inmates, a hard one to reduce.
- Code 900 I have allowed the Department of Highways Equipment Rental, but disallowed the Department of Education charges of \$3500.

S.E. Regional

Correction The Department has requested \$1,001,000 up \$168,400 from last year's figure. The Governor has allowed \$992,600. I have allowed \$880,800 .

Code 100 The Department request is \$527,600 for 34 bodies. The Governor has allowed these figures. I have allowed the 34 personnel, but disallowed the increase in overtime request of \$50,755 and reapplied last year's vacancy and turnover factor of \$4,300. I have disallowed new positions.

Code 200 I have allowed all requested in-state travel, disallowed outside

travel for the superintendent requested for various dates to various places.

Code 300 The Department has requested \$309,600, up \$49,600 from last year's \$260,000. The Governor has allowed \$307,100, I have allowed \$289,000. Reductions were based on line by line analysis. One of the big items in this request is electrical cost of \$38,400. I suggest and urge that they watch the lights and electrical use in this state jail. Another area which I am checking into is the building rental to ASHA of \$207,900. What this figure is based on is not yet clear to me, nor am I sure whether or not we can reduce it. I have cut film rentals, cable television, institutional membership, and Dept. of Education charges, also chaplain service.

Code 400 The Department has requested \$119,300, the Governor has allowed \$119,000. I have allowed \$105,200, based on line by line analysis and an attempt to reduce that which can be done without.

Code 500 The Department has requested \$9,300. The Governor allowed \$5,000. I allowed \$4,700.

Code 700 Inmate pay at \$1 per day for \$11,000. The Governor granted this request, and I concurred.

Code 900 The Department requests \$5,200 for vehicle rentals, last year's figure was \$4,100. I allowed last year's figure. I allowed no library and expense.

Northern
Region
Correc-
tion
Center Department request is \$1,055,500 up \$306,600 or 41% from last year. The Governor allowed \$1,044,500. I allowed \$785,700. The Department requested \$605,700 to fund their 35 currently

Code 100 employed people. The Governor allowed this figure, I allowed the 35 people, but reapplied last year's \$7,000 vacancy and turnover factor and disallowed their request for \$41,889 increased overtime.

- Code 200 The Department request is \$8,000, the Governor has allowed \$7,000, I have allowed \$4,900. I have reduced in-state travel where it appeared feasible and disallowed a trip to Reno, Nevada for the superintendent of the jail.
- Code 300 The Department request is \$185,300 up 139% from last year. The Governor's allowance is \$180,000, my allowance is \$82,700, based on line by line by line evaluation. I have disallowed the purchase of alcoholic rehabilitation programs outside the jail as well as other smaller reductions in requested dollars.
- Code 400 The Department requests \$176,100, the Governor's allowance is \$173,000, my allowance is \$134,800, reductions made on line by line analysis.
- Code 500 The Department requests \$8,300 up from last year's authorization of \$3,100, an increase of 216%. The Governor has allowed \$6,700, I have allowed \$2,200.
- Code 700 Under Support and Care of Prisoners I have allowed \$1 per day or \$9,000 which is both the Department's request and the Governor's allowance.
- Code 900 Under Department of Highways vehicle rentals they have requested 3 vehicles. I have allowed 2 vehicles which was last year's authorization. I have disallowed the Department of Education charge of \$500 for a librarian.
- Ketchikan State Jail The Department has requested \$393,500 up \$99,600 or 34% from last year's \$292,900 authorization. The Governor has allowed \$392,800, I have allowed \$300,500.
- Code 100 The current personnel schedule is 16 bodies. The Governor has allowed this as have I, but I have applied a vacancy and turnover factor of 2 1/2% and disallowed the Department request of \$24,292

for increased overtime. I have allowed temporary help, but disallowed new positions request for three correctional officers, two males and a female.

Code 200 I have deleted a trip for the Ketchikan Jail Superintendent to Reno, Nevada. I have allowed all prisoner travel within the state and administrative trips to Juneau for conference and budget preparation. I have disallowed training and consultation trips around the state.

Code 300 Under Contractual Services, the Department has requested \$34,000 which the Governor allowed. I have allowed \$31,000, last year's authorization. This reduction can easily be affected by reduction of movies for the inmates and / ^{program required} by the American Correctional Institution Candidate Status (whatever that is).

Code 400 The Department request and Governor's allowance are \$39,800. My allowance is \$34,000.

Code 500 The Department requested \$10,800 as compared to last year's figure of \$1,500. The Governor allowed \$10,500. I allowed \$ 600 .

Code 700 The Governor's allowance of the department's request and my allowance \$2,900.

Code 900 Vehicle rentals--Department request \$4,800 which I allowed. I disallowed \$500 to the Department of Education for librarian charges. This is more of that matching federal funds booby trap.

Other The department has requested \$898,200, an increase of \$101,900 over last year's request authorization of \$796,300. The Governor has allowed the \$898,200. I have allowed \$ 885,900 .

Code 100 The department request, the Governor's allowance and my allowance is \$25,900.

Code 200 I have allowed in-state and outside travel as requested with the exception of sending new members to the East Coast and the West

Coast for training. These are parole board members.

Code 300 The department has requested \$839,900. The Governor has allowed this figure. I have allowed \$831,300. The bulk of this request is "other contractual services". This one item is up \$89,900 from last year. I have reduced the request \$7,500 for an allowance of \$800,000.

Code 400 The department has requested \$7600 which the Governor allowed. This is up 65 % from last year's authorization. I have allowed \$5,400 , an increase of \$ 800 over last year.

Code 500 The department's request and the Governor's allowance and my allowance is \$900.

Code 700 The department's request, the Governor's allowance and my allowance is \$2,500.

New Facility Under a function called new facility a request of \$40,400 has been made. The Governor has disallowed it and I concurred with him.

Care of Juveniles Under care of juveniles the department has requested \$3,313,700, up \$807,100 from last year, an increase of 32 %. The Governor has allowed \$3,249,200. I have allowed \$2,575,800 .

Alcantra Youthcamp The department has requested \$380,900, up \$64,900 from last year's \$316,000. The Governor has allowed \$366,900. I have allowed \$319,300 .

Code 100 There are sixteen bodies involved in the current program. I have allowed this figure. The dollar request and the Governor's allowance is \$24,700. I have disallowed a request for \$15,572 in new overtime and reapplied a vacancy and turnover factor of \$3,000. I have disallowed new positions.

Code 200 I have allowed the superintendent his requested trips to Juneau and various trips to various locations on various dates. I have disallowed two conference trips to Anchorage and cut the psychologist's

travel in half and cut contingency emergency travel in one-half.
I have disallowed a trip for the Alcantra Youth Camp superintendent to Reno, Nevada.

- Code 300 Contractural Services--The department requested \$24,900. The Governor allowed it. I allowed \$19,700 , based on line by line evaluations. I disallowed membership in American Correctional Institution and a group membership in NCCD.
- Code 400 The department requested \$53,800. The Governor allowed it. I allowed \$51,500 , based on line by line evaluations.
- Code 500 The department requested \$4,000. The Governor allowed it. I reduced this to \$1,300 .
- Code 700 The \$1.00 a day for inmates amounted to \$8,400 which the Governor and I both allowed.
- Code 900 The department requested \$10,900 for rental from the Department of Highways. I allowed \$9,000, last year's level. I allowed \$2,400, the department request for commodities from the Alaska Surplus Property Service for a total allowance under Code 900 of \$11,400 as opposed to last year's figure of \$10,900 and the department request of \$13,300.

McLaughlin Youth Center The department has requested \$2,039,500, up from \$1,629,800 last year. The Governor has allowed \$2,010,000. I have allowed \$1,588,300 .

- Code 100 There are 106 personnel involved. The department request and the Governor's allowance \$1,500,200. I have allowed the department personnel but reapplied last year's vacancy and turnover factor of \$78,600 and disallowed the department request of \$119,077 in new overtime. I have disallowed the request for new positions.

- Code 200 The department request is \$10,900 which the Governor allowed. I allowed \$9,300 , making some reductions in in-state travel and substantial, although not complete reductions, in out of state

travel. I did disallow the superintendent's trip to Reno, Nevada. This must be the fourth or fifth trip I have disallowed to Reno, Nevada in this budget book.

Code 300 The department has requested \$154,400 and the Governor allowed this figure. I allowed \$108,000 , based on line by line evaluations.

Code 400 The department requested \$191,000 which the Governor allowed. I allowed \$129,700 , based on line by line evaluations, the major reduction being in maintenance and construction materials. Last year's figure was \$12,800. The year before it was \$4,578. This year they requested \$47,400, an increase of \$34,600 or nearly 300%. I allowed \$15,000, up 10% above last year.

Code 500 The department requested \$21,800 up over 50% of last year. The Governor allowed this figure. I allowed \$900 . Reductions were based on eliminating all possible expenditure and especially new equipment for new positions which were previously disallowed.

Code 700 The inmate pay--the request of \$15,000 was allowed by the Governor and myself.

Code 900 The department requested \$76,500. The Governor's allowance the same. My allowance \$56,500 ,based on line by line evaluations.

Other The department requested \$893,300, up 59 % from last year's \$560,800. The Governor has allowed \$872,300. I have allowed \$668,200.

Code 100 The department request, the Governor's allowance and my allowance all \$5,300.

Code 200 The department request is \$82,200, the Governor's allowance the same, my allowance \$74,500 , based on reductions in both inside and outside travel.

Code 300 The department request \$774,200. The Governor's allowance the same. My allowance \$560,400 , based on line by line evaluation and reduction. The biggest reduction was in code 390 where the department

requested \$741,900 as opposed to last year's \$446,000. I allowed an increase of 20% or \$535,000.

400 The department request, the Governor's allowance \$30,400. My allowance \$27,000 .

e 700 Allowance for incidentals in foster homes. The department request \$1,200, the Governor allowed \$1,200, I allowed \$1,000.

SENATE FINANCE COMMITTEE

March 22, 11:00 a.m.

Present: All members except Senator Lewis.

General: Chairman Butrovich called the meeting to order and turned the floor over to Sen. Ray, who moved and asked unanimous consent that CSHB 62 (An Act making a supplemental appropriation to the State Bond Committee; and providing for an effective date.) be brought up for discussion. There was no objection. Sen. Ray explained that this bill passed the House as a Committee Substitute which deleted the funds for payment of the ASHA rentals. After research into the bill, it was noted that ASHA rentals are reserve bonds other than general obligation bonds. Sen. Ray felt that since the debt has to be paid, and since HB 62 has already passed the House, it would be wiser to come in with a Senate Committee Substitute to include the ASHA payments rather than a second supplemental. This does, however, necessitate changing the title of the bill to include revenue bonds. Sen. Ray moved and asked unanimous consent that CSHB 62 be replaced with Senate Committee Substitute for Committee Substitute for House Bill 62 and be reported out with a do pass recommendation. No objection, so ordered.

HB 72 Sen. Ray moved and asked unanimous consent that HB 72 (An Act appropriating to the Department of Public Works, Division of Buildings; and providing for an effective date.) be brought up for discussion. There was no objection, and Sen. Ray passed out some back-up materials which told about the new Public Safety Building and what happened. The reason for the new building was that Legislative Council met and decided that Public Safety would have to vacate the fourth floor of the Capitol Building so that it could be utilized

by the legislature. All heads of the Departments involved (Administration, Public Safety, Public Works, Budget and Management) participated in the decision making. It was decided that Public Safety would need an interim building and they said that \$450,000 would provide it. They were given \$500,000 so that unforeseen costs would be covered. Sen. Ray stated that after the legislature adjourned, the Department of Administration moved in with an entirely different concept--they wanted a records center. This necessitated further space requirements; and they have come in with a supplemental of \$100,000.

Sen. Ray stated that the contractor at that time was the same man who made the parking lot in the back of the Capitol Building. (Sen. Lewis interjected that the same contractor is trying to get the new construction job at the University of Alaska.) Sen. Ray told of making periodic inspections of the work being done on the Public Safety Building--some days there would be no one there and some days one or two men. Finally, Legislative Affairs had a meeting and told the Administration that the offices had better be empty when the legislature convened. They got moving then and received compensation time and draft time etc., and the contractor came out "fat and happy" and the sub-contractors didn't make anything. Sen. Lewis stated that he had a record of the overtime for the project, and that it is extensive.

Sen. Palmer asked the plans for the building afterwards and Sen. Ray explained that the building was supposed to be used by Public Safety for two years and then torn down and relocated. Sen. Butrovich assumed that it would be used as an interim location, and some of the downtown rentals could be cleaned out.

Sen. Palmer asked what would happen if the additional \$100,000 wasn't paid and Sen. Ray replied that since the bill has been incurred, it has to be paid. Sen. Rettig agreed saying that if the bill wasn't paid, the state would be sued.

Sen. Palmer asked why they said that the Subport Building had proved unsuitable for records keeping and Sen. Butrovich said that he understood that moisture was the problem.

After some discussion, the Committee decided that they would make an inspection of the new Public Safety Building upon adjournment.

Sen. Ray moved and asked unanimous consent that HB 72 be put out with a do pass recommendation. There was no objection and the bill was moved out contingent to the inspection of the building.

SB 98

Sen. Lewis moved and asked unanimous consent that SB 98 (An Act establishing the official state plumbing code.) be brought up for discussion. No objection, so ordered. Sen. Lewis stated that when he put in for a plumbing code he foresaw a maximum of one inspector, but Commissioner Benson, Department of Labor, sees three this year and no telling how many after this. Sen. Lewis had put it in to take care of some very bad situations in the outlying areas of Anchorage and Fairbanks and he felt that if the Commissioner could take a conservative approach, it would take care of the problem. He hadn't meant to load down the smaller places with a plumbing code. He felt that the Committee should put it out with a LETTER OF INTENT that only one inspector be hired.

LEGISLA-
TIVE
INTENT

Sen. Rettig asked how much one inspector would cost and Sen. Lewis said that it would be about \$25,000.

Sen. Ray called for a Point of Order to see if the bill was in Committee. Although it was referred to Finance this morning, it had

not yet reached the Committee, and so Sen. Butrovich decided that they would continue discussion when the bill was in Committee.

Bill

Assignment He assigned SB 98 to Sen. Hensley for researching.

SB 181 Pursuant to testimony in the Court System subcommittee meeting, Sen. Butrovich proposed introduction of a bill (An Act relating to allocation of state revenues shared with local governments; and providing for an effective date.) to provide that those local governments owing money to the state shall have that debt subtracted from their revenue sharing monies. At this point, Juneau, Fairbanks, Anchorage, and Ketchikan are not reimbursing the Court System for jury fees and court costs for their cases--Anchorage originally was the main offender, but since the State is suing Anchorage, the other communities named are waiting for the outcome of the suit before they pay. This is a large factor in the economic difficulties the Court System is now having. The Committee unanimously voted to introduce the bill.

SB 182 Another bill brought up for sponsorship by the Finance Committee is "An Act appropriating \$3,503.75 to Harmon R. Helmericks for loss of a boat being used by the Alaska Department of Fish and Game; and providing for an effective date." This bill, Sen. Butrovich explained, is to reimburse Mr. Helmericks for loss of his boat which was rented to the Department of Fish and Game and disappeared along with its two fish and game passengers. The Committee agreed to sponsor this bill.

Adjournment: Meeting adjourned at 11:30 a.m.

SENATE FINANCE COMMITTEE
Tuesday, March 23, 1971
10:55 a.m.

Present: All members.

Chairman Butrovich called the meeting to order.

HB 72 Senator Ray asked if HOUSE BILL NO. 72 (Approp., Public Works for Public Safety Building) could now be reported out of committee as it was yesterday signed but held in committee subject to inspection of the facility by the committee members. Senator Lewis requested one more day to check into this further.

SB 168 Senator Butrovich moved and asked unanimous consent that SENATE BILL NO. 168 (oil and gas properties production tax) be brought up for consideration. No objection, so ordered. This bill changes quarterly payments to monthly. The only amendment he recommended was in the short title, which he felt was not specific enough, and so he proposed that on page one, line 6, they delete "relating to" and insert "changing the payment and reporting period of". A typing error was noted on line 25 but need not be corrected by amendment. He moved the amendment, and it was accepted.

SB 168 was reported out of committee with the amendment, all members signing "do pass" with the exception of Sen. Rettig who voted "no recommendation."

HB 218 HOUSE BILL NO. 218 (lapsing appropriations) was brought up for consideration and was reported out of committee with a unanimous "do pass" recommendation.

Adjourned: Meeting adjourned at 11:25.

SENATE FINANCE COMMITTEE

March 24, 1971

1:30 p.m.

Present: All members except Senator Lewis. Also present was Mr. Vern Roberts, Director, Division of Administration, Department of Fish and Game.

SB 157 Chairman Butrovich called the meeting to order and introduced Mr. Roberts who spoke in favor of SB 157, "An Act abolishing the Department of Fish and Game Working Capital Fund; and providing for an effective date."

Mr. Roberts stated that in 1965 some outside consultants recommended setting up a working capital fund for operation of aircraft and vessels. The idea was to provide better cost accounting and improve efficiency and utilization of equipment in the Department. However, the fund has proved unworkable to the extreme, particularly caused by limited sources of revenue. Because the equipment is not used as much as is projected, and because cost of operation varies little with usage, this fund has operated at a deficit for five years. Thus, Mr. Roberts proposed doing away with the fund since there is no way to operate successfully the way it is set up now. He suggested a direct appropriation would be more effective--they would either have the money or not have it. Mr. Roberts gave the committee some backup material including answers to some obvious questions about the bill and went over those materials.

In response to questioning by Senator Hensley, Mr. Roberts said that the federal receipts the department is presently getting will still be available to the state. The impact of direct appropriation wouldn't change the amount of dollars, just the way to get

them. The money would be appropriated directly into the various divisions.

Senator Palmer asked if it was correct to say that if SB 157 became law there would be the same amount of equipment available and a saving of \$10,000 to \$20,000 because of the unnecessary paper work entailed in the working capital fund. Mr. Roberts stated that was right and stressed the fact that more dollars could be budgeted for use of equipment, particularly in the enforcement area, instead of for handling the fund.

Senator Butrovich asked why the department had the working capital fund in the first place and Mr. Roberts explained that in 1965 the federal government had 30 some boats tied up at the dock and not being utilized. Nobody knew how much it was costing to own the boats. They had some consultants come in who said to put it on a working capital fund basis in order to find out. Accurate cost accounting was a requirement. The problem, however, was that the source of funding didn't have the income that goes with it. The 34 vessels are now down to 15. Mr. Roberts repeated that there is no reason to continue funding in this manner. He felt that SB 157 would be the only way successful operation could be obtained.

Senator Rettig asked if this had been interpreted into the state accounting system and it had. He then asked what was in the fund at the present time. Mr. Roberts stated that there is approximately \$60,000 in the fund, but that the net assets are \$900,000 consisting primarily of equipment. This would just revert to the general fund for the Department of Fish and Game.

Senator Hensley asked about the deficit and Mr. Roberts said that there had been one every year since its incorporation. He added that in 1969 the Finance Committee had directed its fiscal

analyst, Mario Martini, to do a study of all working capital funds in the State of Alaska. This study was contained in the backup material that he had given the committee, and an excerpt from the recommendations made is that consideration should be given to eliminating the fund.

Senator Butrovich said that the committee would consider action on this piece of legislation after the budget review which was next on the agenda. Mr. Roberts left.

Commissioner Chappell, Dept. of Public Safety, arrived with Captain Nelson, Director of Technical Services. Also present were Mr. Myrt Charney, Director of Budget and Management, and Mr. Rich Guthrie of that division.

DEPT. OF
PUBLIC
SAFETY

Senator Ray moved and asked unanimous consent that the Committee go into executive session. No objection, so ordered.

The members of the committee all had copies of the budget analysis from the Department. Senator Ray introduced Capt. Nelson. Capt. Nelson began by saying that the department was faced with the problem of reducing their budget to the figures which the Governor had decided on. He stated that the department's decisions on where they can afford cuts are documented by the sheets passed out. Generally they are accepting the Governor's proposed cuts. The original general fund authorization was \$7,711,100. From that the Governor cut \$515,100 for program increases, \$164,400 for step increases proposed, and \$7,000 for Fire Prevention overtime, and he added in \$250,400 for the LEAA Program and \$126,200 for Trooper Overtime, resulting in a net reduction of \$309,900 and a revised general fund figure of \$7,401,200. However, as is noted in the Department memo of March 16, the

\$250,400 for LEAA was in error as program receipts cut from \$7,870,200 original approval was \$153,100 in LEAA and \$6,000 in Fire Prevention vocational education funds, to arrive at a general fund total of \$7,711,100. The sum of \$97,300 in state

funds is required to be added. In addition, the State Trooper overtime calculation was previously computed into the maintenance level, and so need not be added back. This provides an additional reduction of \$126,200 and increases the total reduction of the department's original total general fund monies by some \$589,200, giving a total revised general fund figure of \$7,121,900.

Capt. Nelson stated that they had accepted the General Administration budget as it had been presented to them by Budget and

Management. Senator Ray questioned to see if this meant that they allowed no new positions and no increases in the present program, and Capt. Nelson explained that it actually meant a reduction in the present program; there was a position transferred. Senator Ray asked whether the Department would rather have more state troopers or more clerical positions if the committee decided to increase the program and Captain Nelson answered that clerical positions were their biggest need. They had a considerable increase in state troopers last year and with only a limited increase in clerical positions, so several areas have suffered--mainly the staff in headquarters' offices. The Driver's Licensing Program is particularly lacking clerical help. Senator Ray pointed out that a considerable amount of overtime is accumulated when a trooper comes in from regular duty and has to fill out reports which makes him go into overtime. He asked how much more it cost to pay a trooper overtime than to pay regular clerical help and Capt. Nelson answered that it would be at least twice as much.

Senator Rettig asked how clerical help could take over that sort of overtime from the trooper. Capt. Nelson stated that the trooper could dictate the report on tape and it could be typed up during

General
Adminis-
tration

Code 100

the next working day.

[Senator Lewis came in.]

Capt. Nelson was asked if since they aren't asking for troopers if they'll still have to have the Trooper Academy. Capt. Nelson said they would still give at least one academy next year for their own people and also for the LEAA program.

Technical
Services

Capt. Nelson said they have accepted the changes in Technical Services exactly as the review committee proposed them. There were areas where they would like to have made adjustments but in honesty the program was based on what the department had listed as increases so they didn't feel they could ask for changes.

Senator Ray noted that since \$153,100 is still for the LEAA program, the general fund total for technical services is \$400,500,/
(figure increased, see page 381)
which is less than last year, and he further noted that \$61,000 of the Personal Services increase is for three positions transferred from general administration into this program, so that actually, there is a \$150,000 drop in the existing program.

Senator Lewis asked the net effect of LEAA and Capt. Nelson told him that is the only federal program in this particular budget and is for a criminal justice information system compiled of all information systems from all criminal justice agencies to be converted into one central information file. It is a four year project.

Capt. Nelson felt it to be desirable and beneficial.

Senator Lewis asked what would happen if the federal government withdrew funds after two years, and Capt. Nelson explained that this program, as planned for the next four years is a progressive one for the development of a system. At the end of four years an on-going system will have been developed and the state would do fine without the funds. He said that he did not feel funds would

be withdrawn before that unless there was a drastic change in the national picture.

Senator Ray summed up the program by saying that all it would do is set up a centralized system statewide and nationwide.

State Troopers

Capt. Nelson said that the Division of State Troopers tried to accept the GBRC's revisions down the line. He added that they had reservations on the line cutting out every civilian position except funded by LEAA. In this budget they also had a big increase in overtime.

Code 100

Senator Hensley asked how many new troopers the department picked up last year through the legislature's authorization. Capt. Nelson replied that a total of 47 had been authorized, but they had only been able to afford 27 through the course of the year so there has been a vacancy factor of 20 because of funding difficulty. He added that the ones not filled are included in this budget. Senator Ray commented that if the entire 47 could be picked up, the force would be full strength.

Capt. Nelson went on to say that last year they were faced with the problem of no money to fund the entire number of positions so they had retained the vacancy factor. That wasn't the only reason, he said, but they maintained the factor because they knew they couldn't fund the positions all the way through.

Senator Hensley remembered that last year they had asked the department to concentrate on getting positions filled in rural locations, like Nome, Kotzebue and Barrow. He knew that some of the positions had been filled but wondered whether they still plan to find these men that are funded for and where they will be stationed. Capt. Nelson replied that they were still interested

in getting people into the outlying areas.

Senator Ray recalled that last year the department requested 72 positions, including clerical, and 61 were allowed--49 or 50 troopers and 12 of the 22 new support. They were allocated with the specification that the Corporal for Petersburg be deleted and with the intention that rural areas be taken care of.

Capt. Nelson said that there were only 22 positions because of the funding shortage. This was questioned, the legislature having authorized all these positions.

Senator Ray explained that when men are hired in the bush, rent has to be paid and this cut down on the monies available for funding positions themselves.

Capt. Nelson stated that last year there was \$151,000 vacancy and turnover factor built into the program so there was that much of a shortage to begin with and then in an analysis of the program, there was also a shortage of funding in troopers.

Mr. Charney said that the captain was correct about the vacancy and turnover, and pointed out the factor of salary increases. The money was appropriated at 75% in Administration, but they couldn't guarantee any of the funds to any of the departments, so the prudent departments went on the basis they weren't going to get any of them, as he assumed Public Safety had.

Capt. Nelson admitted that they did figure to get a little money.

Senator Butrovich stated that he recalled that when working on the budget they had not just funded salary, but also support.

Senator Ray said that there seemed to be a discrepancy on how much is spent to keep troopers in the field and how much is spent to keep them in headquarters. In a city, they just get wages and have to pay their own food and rent. By executive order, troopers

had to be sent to the bush. The money for this has to come from someplace else, which Senator Ray said usually means vacancy and turnover.

Capt. Nelson stated that ten troopers is the vacancy factor. He went on and said that sometime during the year the troopers would be up to full-strength. On April 12th, ten new troopers will be coming on.

Senator Rettig asked how housing in the bush area is provided. Capt. Nelson said that the state has some trailers and some houses are leased. When in ASHA housing, the trooper picks up the lease for whatever the rent is. Normally, rent is paid for living in a trailer. In some areas, the state pays part of the cost and the trooper picks up the rest. He hoped that the state would establish a policy on this.

Senator Ray said that there is no statutory recommendation on the number of troopers required. The department can hire as many troopers as they have money to pay.

Senator Hensley thought that there was clear legislative intent that the new positions authorized be aimed at the local areas. He wanted to know if they had sent any of the 27 new hires to the local areas. Capt. Nelson said yes, and that he would furnish a list of them.

Commissioner Chappell stated that it was only ten days ago that he had gotten the first authorization to hire troopers. They didn't know they had the money until then. He said he was working on a deal to get two sets of quarters in Nome. He had put a second man in Barrow and had plans to open facilities in Talkeetna. In order to make new hires, he has to provide headquarters. By this summer, Juneau will have fewer troopers. He is moving away

from the idea of providing services to areas surrounding cities, as he doesn't feel that is where the greatest area of service should be. It is the duty of city police to take care of the cities. He mentioned that the state has terminated contracts with cities for city police protection.

Captain Nelson reiterated that the Division of State Troopers accepted all cuts. Senator Koslosky asked the effect of the termination of contracts with cities on the budget. Capt. Nelson answered that it has cost them a certain amount inasmuch as some of their experienced men have left them to go to work for the city, but that it really evened out because some of their experienced men also came back.

Fire
Prevention

Capt. Nelson stated that the Division of Fire Prevention has accepted the cuts as proposed to them.

Technical
Services

Code 100

The captain, at Senator Lewis' request, went back over critical areas of the budget. Their first subject of concern was the Administrative Officer III which was deleted as it has been a position needed for a long time. He has actually been filling in for that position himself. Mr. Chappell said that there was a need for someone with expertise because the department was getting too big, and should Capt. Nelson leave, they would really have a problem.

Captain Nelson said that in technical services, two statistical clerks now working, are federally funded by the Highway Service, and were just deleted. These clerks are working on traffic records projects which were inherited from the Department of

Highways, and they should be continued. The department had hoped that these positions could become state positions this year.

Code 300

The next item which Capt. Nelson mentioned was under contractual services. In Code 380, professional services. What is actually being cut is their narcotics laboratory increase and their search for lost person request. The narcotic program provides lab service for analyzing drugs. As a result of the heavy enforcement effort of the department, the use factor on the lab fees has come up rapidly. The cost last year was \$31,500. They have spent \$30,500 already this year, and so they are \$21,000 short for the rest of this year. Thus, they are going into next year with considerably less than they should have for this function. Captain Nelson stated that they anticipated making this up from other sources--funds that lapsed this year went into it.

Code 500

Capt. Nelson stated that there is a microfilming program going on and it needs additional equipment which was deleted from the budget. The total effect of this deletion means a delay in operation for at least a year. It will probably mean they will be providing the same service, but they will be using more personnel to do it. They asked for \$31,100 for camera and micro-filming equipment. Within a year or two they will need an additional \$31,000 in personal services.

State Troopers
Code 100

Capt. Nelson stated that the biggest item under State Troopers is the need for clerical people.

Code 200

He said that the only other item in State Troopers posing a problem is going into the year with the same amount of travel money they had last year. They have discovered by talking with the airline industry that there will be a minimum of 15% increase

automatically built into the travel expense for the next year. They had spent \$300,000 last year so with the 15% increase, they will be \$45,000 short before the end of the year.

Senator Butrovich asked whether more permanent field offices would mean less travel and Capt. Nelson replied that it would probably mean more travel.

Senator Hensley asked where the funds for lost persons were placed. Capt. Nelson said that they were formerly in the General Administration Program, but that in this budget they had been transferred to Technical Services. In the transfer, they had almost been lost, but fortunately, the Division of Budget and Management identified it.

Senator Hensley brought up the idea of a roving trooper because he felt a trooper arriving once a month would be a deterrent to crime. Capt. Nelson stated that irregularity is the impact so that perhaps twice one month and not at all the next might be better. Senator Butrovich called a five minute recess at 3:12 p.m.

After Recess

Senators Palmer and Hensley were not present at this time.

Chairman Butrovich called the meeting back to order and turned the floor over to Senator Ray for his recommendations on the Public Safety budget.

Senator Ray stated that he had gone over the budget on his own and then compared his figures with the Governor's and the department's revised figures (see department file memo dated March 16) and when their figures were lower than his own, he'd use them.

The total Senator Ray came up with for General Administration was \$179,100 and their figure was \$173,900, so he took that.

General
Adminis-
tration

Code 100 Senator Ray recommended \$126,800 for personal services.
Code 200 Senator Ray recommended \$10,000 for travel.
Code 300 Senator Ray recommended \$35,000 for contractual services.
Code 400 Senator Ray agreed with the \$2,100 commodities figure.
Code 500 Senator Ray agreed with the 0 for equipment.
Code 700 Senator Ray agreed with the 0 for interagency charges.

Technical
Services

The general fund request in revised department figures was \$553,600, which was Senator Ray's original general fund figure. However, after changes made in his recommendations during the meeting, his general fund recommendation was \$451,400--his total recommendation was \$604,500 as compared with the department's requested \$706,700.

Code 100 Their figure for personal services \$441,500. Senator Ray's recommended figure is \$370,000, which takes out the three LEAA positions which he moved to contractual services.

Code 200 Their figure for travel is \$24,600 and Senator Ray concurred.

Code 300 Their was considerable discussion on Code 300. This is the code

where the Narcotics Lab, which Captain Nelson had suggested increasing, is funded. Senator Ray recommended increasing this, and his final recommendation for the code was \$187,100. This is made up of \$115,600 which includes the narcotics lab increase, and added to that is \$71,500 for the three LEAA positions which Senator Ray transferred out of personal services, as they are contractual positions.

Code 400 Their figure for commodities is \$17,000 and Senator Ray concurred.
Code 500 Their figure for equipment is \$3,800 and Senator Ray concurred.
Code 900 Their figure for interagency charges is \$2,000 and Senator Ray concurred.

Alaska
State
Troopers

In Alaska State Troopers, Personal Services, employee benefits and reclassification, excluding any new overtime requires an increase of \$886,303 over last year, Senator Ray Said. Adding an increase in clerical personnel of \$114,000 to enable troopers to stay in the field instead of at a desk making out reports brings the total figure Senator Ray recommends to \$4,335,000.

Code 100

Code 200 Senator Ray recommends a figure of \$275,000 for Travel, as compared with the revised request of \$300,000. He deleted travel and per diem for new positions.

Code 300 Code 300--Senator Ray recommended a figure of \$460,000. In Code 360 he deleted \$50,000 for aircraft and \$27,000 for boat rental.

Code 400 Senator Ray deleted the cost of new fatigue uniforms and fire arm supplies, among other items, and came up with a figure of \$144,500 for commodities.

Code 500 From the original request for Equipment, Senator Ray deleted \$105,200 from Code 510, the allocation of the remainder in that code to be determined by the department, deleted \$8,200 for new

positions in Code 520 and deleted \$25,200 from Code 530, allowing a total for Equipment of \$70,000.

Code 900

Senator Ray allowed \$380,000 for vehicle rental, \$7,100 for printing, \$35,500 for ASHA and nothing for teletype, which gave a total of \$417,600 for Inter-Agency Charges.

The final figure for State Troopers is \$5,702,100, a 12% increase over last year, according to Senator Ray.

Fire
Prevention

Senator Ray stated that he went along fairly closely with the department's figures for Fire Prevention.

Code 100

Senator Ray allowed the revised department request of \$192,300 for Personal Services.

Code 200

Senator Ray allowed \$24,000 for Travel, a decrease from the \$31,000 revised budget request.

Code 300

Senator Ray allowed \$27,700 for Contractual Services, with decreases in Printing and Advertising, Transportation of Things and Professional Fees and Services for in-service training.

Code 400

From the original figure, Senator Ray deleted \$400 for clothing and \$500 for stationery. He allowed \$5,100.

Code 500

Senator Ray deleted the automobile for \$3,000 and made a general cut of \$300, which he said he hoped they would take from the request for side arms.

Code 900

Senator Ray allowed \$10,000 for Inter-Agency Charges. The increase of almost \$500 is because gas has gone up since the request was made.

The total figure which Senator Ray recommends for Fire Prevention is \$264,100, as compared with the revised request figure of \$269,500.

Total

Senator Ray's recommended total for the Department of Public Safety is \$6,744,600.

That concluded Senator Ray's review of this budget.

SB Senator Ray moved and asked unanimous consent that SB 157 (Abolishing Dept. of Fish and Game working capital fund) be reported out of committee with a "do pass" recommendation. No objections--so ordered.

HB 72 Senator Ray moved and asked unanimous consent that HB 72 (Appropriation for Public Safety Bldg.) be moved out of committee as it has already been signed out. No objections--so ordered.

Adjourned: The meeting adjourned at 4:30 p.m.

SENATE FINANCE COMMITTEE

FISH AND GAME

The following are Senator Butrovich's recommended cuts for the
Department of Fish and Game, Book I:

BOOK I

OFFICE COMMISSIONER

<u>PAGE</u>	<u>CODE</u>	<u>REQUEST 71-72</u>	<u>GOV.</u>	<u>MINE</u>	<u>REDUCTION</u>	<u>ADJUSTMENTS</u>
21	100	\$53,100	\$24,500	0	\$53,100	
10	200	29,500	25,000	\$18,000	11,500	
33	310	4,500		2,000	2,500	
33	320	2,100		0	2,100	
33	350	4,400		2,400	2,000	
36	480	800		200	600	
36	490	1,050		250	800	
38	520	2,600		600	2,000	
40	600	20,000		0	<u>20,000</u>	

TOTAL REDUCTION OFFICE OF COMM.----\$94,600

DIVISION OF ADMINISTRATION

54	100	6,788		0	6,788	
55	100	22,700		0	22,700	
59	210-40	6,800		4,000	2,800	
62	310-90	383,600	353,900	304,600	79,000	
67	480	41,400		35,000	6,400	
69	500	2,800	1,500	1,500	<u>1,300</u>	

TOTAL REDUCTION DIV. OF ADMINISTRATION---\$118,988

BOARD OF FISH AND GAME

78	100	29,800	0	0	29,800	
79	200	2,700	0	0	2,700	
79	300	2,000	0	0	2,000	
79	400	500	0	0	500	

<u>PAGE</u>	<u>CODE</u>	<u>REQUEST 71-72</u>	<u>GOV.</u>	<u>MINE</u>	<u>REDUCTION</u>	<u>ADJUSTMENTS</u>
79	500	700	0	0	700	
82	210-40	28,200	25,500	24,000	4,200	
85	310-390	8,300	6,300	6,300	2,000	
87	410-90	1,800	1,300	800	1,000	
89	520	700	0	0	<u>700</u>	

TOTAL REDUCTION BOARD F. & G.-----\$43,600

INFORMATION AND EDUCATION

94	100	1,050		0	1,050	
97	100	4,420	0	0	4,420	
100	200	1,400	1,400	0	1,400	
100	200	1,300	1,300	0	1,300	
103	300	22,200	22,200	20,000	2,200	
105	400	6,800	6,800	6,200	600	
107	900	2,300	2,300	1,300	<u>1,000</u>	

TOTAL REDUCTION INFO. AND EDUCATION---\$11,970

HATCHERY SERVICES

115-114	100	3,475		0	3,475	
117	100	43,300	21,600	21,600	21,700	
124	200	14,200	11,000	9,000	5,200	
128	300	32,900	30,100	28,000	4,900	
131	400	40,400	36,400	35,000	5,400	
134	500	3,300	3,300	2,000	1,300	
137	800	2,500	2,500	0	2,500	
139	900	9,600	9,600	7,500	<u>2,100</u>	

TOTAL REDUCTION HATCHERY SERVICES---\$46,575

			<u>HABITAT</u>			
<u>PAGE</u>	<u>CODE</u>	<u>REQUEST</u> <u>71-72</u>	<u>GOV.</u>	<u>MINE</u>	<u>REDUCTION</u>	<u>ADJUSTMENTS</u>
147	100	2,123		0	2,123	
148	100	34,700	15,000	0	34,700	
149	200-500	6,800		0	6,800	
150	200-500	4,000	0	0	4,000	
151	200	2,300	2,300	1,500	300	
151	200	900	900	400	500	
153	300	27,900	25,900	24,400	3,500	
156	500	2,800	2,300	2,000	800	
157	900	10,600	10,600	9,600	<u>1,000</u>	

TOTAL REDUCTIONS HABITAT---\$54,223

COMMERCIAL FISHERIES MANAGEMENT

177	100	389,800		0	389,800	
181	100	53,900	26,200	0	53,900	
182	200-400	6,900		0	6,900	
183	200-500	15,100		0	15,100	
186	200-500	1,900	0	0	1,900	
187	200	125,800	118,000	100,000	25,800	
192	310	34,200	33,900	30,000	4,200	
192	320	23,300	23,300	20,000	3,300	
192	330	94,700	92,700	65,000	29,700	
192	340	36,100	34,100	25,000	11,100	
192	350	20,600	20,600	20,000	600	
192	360	220,600	212,500	170,000	50,600	
192	380	5,600	3,900	2,600	3,000	
192	390	9,300	9,300	8,300	1,000	

<u>PAGE</u>	<u>CODE</u>	<u>REQUEST 71-72</u>	<u>GOV.</u>	<u>MINE</u>	<u>REDUCTION</u>	<u>ADJUSTMENTS</u>
196	410	6,200		4,200	2,000	
196	430	34,100		28,100	6,000	
196	440	24,400		15,400	9,000	
196	450	31,000		25,000	6,000	
196	460	15,900		14,400	1,500	
196	470	11,500		7,500	4,000	
196	490	13,600		9,600	4,000	
199	510	38,100		28,100	10,000	
199	520	12,800		6,800	6,000	
199	530	22,500		10,500	12,000	
199	560	3,200		2,000	1,200	
199	590	8,300		5,300	3,000	
209	934	25,100		23,100	<u>2,000</u>	

TOTAL REDUCTION COMMERCIAL FISHERIES MGMT.-\$663,600

COMMERCIAL FISHERIES RESEARCH

219	100	98,400	98,400	0	98,400
225	100	20,700	12,000	0	20,700
226	200-500	700	700	0	700
227	500	800	0	0	800
228	210	22,200		21,000	1,200
228	220	28,000		25,000	3,000
228	230	8,000		5,000	3,000
228	240	5,600		3,600	2,000
235	340	6,600		5,000	1,600
235	350	9,500		8,500	1,000
235	360	75,700		65,700	10,000
235	380	49,600		37,600	12,000
235	390	4,100		3,000	1,100

<u>PAGE</u>	<u>CODE</u>	<u>REQUEST 71-72</u>	<u>GOV.</u>	<u>MINE</u>	<u>REDUCTION</u>	<u>ADJUSTMENTS</u>
238	410	3,400		3,000	400	
238	430	8,700		7,700	1,000	
238	450	12,500		10,000	2,500	
238	470	18,100		15,100	3,000	
240	510	15,200		7,200	8,000	
240	520	8,500		4,500	4,000	
240	530	11,500		6,000	5,500	
246	930	6,000		4,000	2,000	
246	932	6,400		4,000	2,400	
246	933	128,000		90,000	<u>38,000</u>	

TOTAL REDUCTION COMMERCIAL FISHERIES RESEARCH-\$222,300

COMMERCIAL FISH RESEARCH-DEVELOPMENT

258	100	36,711		0	<u>36,711</u>	
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TOTAL REDUCTION COMM. FISH RESEARCH-DEV.-----\$36,711

ANADROMOUS FISH

282	100	76,000	76,000	0	<u>76,000</u>	
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SEE PAGE 284 TOTAL REDUCTION-\$76,000

COMMERCIAL FISH-TEST FISH

301	100	57,300	28,600	28,600	28,700	
305	100	19,900	9,935	0	19,900	
305	200	7,100	6,600	5,100	2,000	
305	300	42,900	42,400	32,900	10,000	
305	400	11,900	11,000	8,900	3,000	
305	500	4,500	4,500	3,000	<u>1,500</u>	

TOTAL REDUCTION COMMERCIAL FISH-TEST FISH--\$65,100

<u>PAGE</u>	<u>CODE</u>	<u>REQUEST</u> <u>71-72</u>	<u>GOV.</u>	<u>MINE</u>	<u>REDUCTION</u>	<u>ADJUSTMENTS</u>
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GAME MANAGEMENT

344	100	11,300		0	<u>11,300</u>	
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TOTAL REDUCTION GAME MANAGEMENT--\$11,300

GAME-FEDERAL AID

376	100	11,027.83		0	<u>11,027.83</u>	
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TOTAL REDUCTION GAME FEDERAL AID--\$11,027.83

FISH AND GAME-PROTECTION

425	100	1,573,600	1,534,200	1,261,000	312,600	
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425	200	113,700	113,700	100,000	13,700	
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425	300	274,000	270,500	264,000	10,000	
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425	400	94,000	92,000	90,000	4,000	
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425	500	40,000	40,000	26,000	14,000	
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425	900	373,800	373,800	323,800	<u>50,000</u>	
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TOTAL REDUCTION FISH AND GAME-PROTECTION--\$404,300

FISH &
GAME

SPORT FISH-MANAGEMENT

BOOK II

472	100	453,900	453,900	353,900	100,000	
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472	200	40,200	40,200	35,200	5,000	
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502	510	2,200	2,200	1,500	700	
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502	520	2,300	2,300	1,800	500	
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502	590	1,600	1,600	1,000	<u>600</u>	
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TOTAL REDUCTION SPORT FISH-MANAGEMENT--\$106,800

SPORT FISH-FEDERAL AID

507	Gen. Fund	47,400	0	0	47,400	
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535	510	25,000	25,000	15,000	10,000	
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535	530	15,500	15,500	10,500	5,000	
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535	590	6,200	6,200	3,200	3,000	
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539	800	29,000	29,000	15,000	<u>14,000</u>	
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TOTAL REDUCTION SPORT FISH-FEDERAL AID--\$79,400

<u>PAGE</u>	<u>CODE</u>	<u>REQUEST</u> <u>71-72</u>	<u>GOV.</u>	<u>MINE</u>	<u>REDUCTION</u>	<u>ADJUSTMENTS</u>
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SPORT FISH-SPECIAL PROGRAMS

544	100	14,600	*	0	14,600	
544	200	9,300	*	0	9,300	
544	300	11,700	*	0	11,700	
544	400	4,900	*	0	4,900	
544	500	16,300	*	0	16,300	
544	900	3,900	*	0	<u>3,900</u>	

*NOTE GOV. DISALLOWED GENERAL FUND-TOTAL REDUCTION-\$60,700
AND PLACED IN SPECIAL FUND-F & G FUND

WORKING CAPITAL FUND

604	100	28,050		0	28,050	
623	100	97,000		0	97,000	
632	Contingency Fund	5,300	5,300	0	<u>5,300</u>	

TOTAL REDUCTION WORKING CAPITAL FUND--\$130,350

*IF THIS FUND IS ABOLISHED BY LAW WE SHOULD REWORK WORKING CAPITAL BUDGET.

SENATE FINANCE COMMITTEE
Thursday, March 25, 1971
11:25 a.m.

Present:

ALASKA
TREATMENT
CENTER

All members were present. Also present were Mrs. Jack Conway of the Alaska Treatment Center, Mr. Nick Peters, Director of the Center, and Mrs. Carolyn Guess, also involved with the Alaska Treatment Center.

Chairman Butrovich called the meeting to order and asked Mrs. Conway to begin her presentation of specific needs of the Center. Mrs. Conway read a letter outlining the plans for increased construction for the center. [letter-department file] They are requesting \$150,000 from the state for this increased construction. This is above the \$76,000 which the state contributes for teachers' salaries.

There was discussion on the possibility that increasing facilities here in Alaska will decrease the number of people sent outside for treatment by other agencies, and so decrease the amount of money spent by the state. However, Mrs. Conway expressed the feeling that the state agencies are probably not sending all the people outside who need to be sent, due to a lack of funds, and so if there were this additional space and treatment available here, there might just be more people getting the treatment and so the cost would not go down. However, with so many people needing help, both children and adults, and some people not going outside to get the help they need, because they get so lonely for their homes in Alaska, and so much that can be done for these people, given necessary facilities and staff, this appeared to outweigh some of the financial concerns. Mrs. Conway emphasized that this is a

one year appropriation only. Sen. Ray requested that Mrs. Guess find out about the amount of money spent by other state and federal agencies in Alaska, sending out their patients outside of Alaska to various treatment centers.

Mr. Peters spoke of a number of the programs at the Center - the preschool for exceptional children, the programs for the deaf - both children and adults, programs for parents of the deaf (they have almost 100% participation of both parents in this program), therapy programs, counselling programs, etc.

Mrs. Conway explained that the Center is no longer associated with the Easter Seal national organization, although many people still identify the two together. She explained that the Center's board had elected to withdraw from the national organization, due to the national dues that had to be paid, and she expressed the personal opinion that with national programs, too much money left the state. She noted that they still do work together closely, however.

Senator Butrovich asked if there is a bill in for the requested \$150,000. Mrs. Conway said no, that the HWE Committee had recommended that a better approach to take would be to have the matter line itemed in the budget.

Recessed: Meeting recessed at 12:00.

SENATE FINANCE COMMITTEE

March 25, 1971

1:30 p.m.

Present: All members of the Senate Finance Committee except Senator Rettig. Also present were the following people: Mr. Benson, Commissioner of the Department of Labor; Mr. Al Gordon, Fiscal Officer of the Department of Labor; Mr. Myrton Charney, Mr. Ron Lind and Mr. Walt Norem of Budget and Management.

General: Chairman Butrovich called the meeting to order. He turned the meeting over to Senator Lewis who noted that a copy of his budget review for the Department of Labor could be found on Page 237 of the Minutes Book. He requested that the committee members follow this outline while listening and questioning Commissioner Benson and Mr. Gordon of the Department of Labor.

DEPT. OF
LABOR

Senator Ray moved and asked unanimous consent that the meeting be an executive session. No objection, so ordered.

Commissioner Benson remarked that since they were going to proceed from what has been the department's proposal and Senator Lewis' suggestions of further reductions the committee would probably be primarily concerned with Labor's reaction to the reductions suggested by Senator Lewis. Senator Lewis suggested that there be no outside travel allowed, no new positions, and that certain commodity expenditures tied to new positions be eliminated. Commissioner Benson said in looking over the budget from two years ago there is less than a 5% increase overall but he pointed out that some items are necessarily increased due to wage increases and inevitable expenses.

Commissioner Benson said he feels Senator Lewis' idea of eliminating general fund money for outside travel has merit but some outside travel is very necessary in that \$5,000,000 in

federal funds has been allocated in the past and next year it will probably be considerably above that. To secure that type of money needs some type of travel outside the state to Seattle and to Washington, D.C. Commissioner Benson suggested that since Egan wants to reduce the outside travel and has imposed on every department that all outside travel must be cleared through him that it would be a good idea for the Finance Committee to have travel funds appropriated directly to the Governor's office since he would have to approve the travel before it could be taken. Commissioner Benson further suggested that if the committee did not like this idea then they might approve the money being appropriated to the Commissioner's office and this outside travel would be at the commissioner's discretion. Commissioner Benson said he did not know what the total amount of this travel for Department of Labor would be but that some of it was very necessary, especially for some people to attend professional society meetings such as the Boiler and Pressure Vessel Inspector meetings. This is a professional group and Anchorage is attempting to secure this group's annual meeting for next year. This can only be done by members of the society. It is possible to get a 500-man convention either next year or the following year. Commissioner Benson pointed out that there is no one more qualified as technicians for the pipeline than people in this society and it would be good for Alaska to have them meeting in Anchorage for their annual convention. This is one reason for appropriation of money for travel of boiler inspectors to the "lower 48".

Senator Hensley asked what percentage of the budget is now federally funded and Commissioner Benson replied that federal

receipts are approximately \$5.8 million of the total budget of approximately \$7.8 million. Senator Hensley said inasmuch as the Dept. of Labor has a substantial amount of negotiating to do on their federal programs they should have the funds to do that. Senator Lewis requested that the committee wait to debate this question until after the Dept. of Labor was dismissed. Commissioner Benson pointed out that on page 62 in Industrial Safety the item of a new position for a clerk-typist in Ketchikan was questioned. He said the clerk-typist that is there now is provided by the WIN program but that the state needs this clerk-typist as she is excellent, has shown capacity, initiative and has prepared herself to do a good job. He noted that this girl handles the complete office when other personnel are out on travel. The inspector in Ketchikan usually is on the move and the girl keeps the office routine going. Senator Ray noted that \$10,000 had been asked for to pay for the clerk-typist's salary, telephone, rent, office supplies, desk, equipment, etc. He wanted to know who is paying all this now? Commissioner Benson explained that the WIN program is paying the girl's salary, the office equipment is borrowed and that he understands the Dept. of Administration is going to move the office into a state building in Ketchikan so this borrowed equipment will have to be returned and new equipment purchased. Commissioner Benson remarked that Senator Lewis had omitted all new positions in Workmen's Compensation. He mentioned that he had talked to Senator Lewis earlier this week about getting a letter written to him justifying the request or accepting the deletions but had not as yet been able to get the information he

requires. He does plan, however, to have this letter into the hands of Senator Lewis by the end of this week.

Commissioner Benson went on to say that many of the deletions that Senator Lewis had made were acceptable to the Dept. of Labor as they are not particularly unreasonable and he feels they can live with them. He again pointed out that the overall increase in the budget will be about 5% above what it was last year.

Mr. Gordon noted that in Industrial Safety Congress has enacted the Occupational Safety & Health Act and unless the state moves this act will preempt state statutes. He said they are asking that they be considered an operating agency and state statutes be upheld.

Senator Lewis asked Commissioner Benson to say something about the \$184,000 seed money. Commissioner Benson referred the committee to Page 205--Manpower Training Division. This is the division which matches the various federal programs in this field and it is designed primarily to take care of the variety of training programs which are available through federal receipts. Each one of these type programs requires some state participation and the \$184,000 we are requesting in the budget is the seed money. If we engage in programs that are 75-25 then we would generate considerably more money. We assume that some type of package allocation will be made to the states. This budget here is what the basic seeding is--for the participation of these programs.

There was considerable discussion on the Skill Center in the Dept. of Education, which Dept. of Labor recruits and handles placement for. They also provide subsistence allowance for participants. Funds for the Skill Center also come from Vocational

Rehabilitation and BIA. The Skill Center is in difficulty now because what Congress is going to do with MDTA programs; but the Manpower Training Advisory Council and Manpower Advisory Committee have moved that, because Seward is a place with hard core unemployed, 50% be allowed to Seward. That in itself, Mr. Benson continued, will not be enough to keep Seward going on the same basis of subsistence support as the present time. There will be enough money to pay schools and teachers but not to support these students. That is why the department is trying to get BIA, since a great number of Indians are in the program, to "pick up the slack" and pay the subsistence which Labor has been paying out of Manpower administration funds.

Commissioner Benson said that if the bill passes turning over the Board of Welding Examiners to the Dept. of Labor, he didn't propose asking for any money this year for it because he feels there is enough money in the Boiler and Pressure Vessel Inspection program. The only time we would be in any difficulty would be if the entire inspection of the pipeline would come in but if that should happen we would probably get federal money for this.

The Dept. of Labor was dismissed at 2:15 p.m.

Senator Ray asked Senator Lewis what his recommended figures were. He answered as follows:

Admin.

Senator Lewis recommends a total for the Division of Administration of \$654,900, broken down as follows:

Office of
Comm.

\$284,100 for Office of Commissioner as compared with the Governor's revised figure of \$290,100.

Fishermen's
Fund

\$213,600 for Fishermen's Fund which is the same as the Governor's recommendation.

Employ the Handicapped

\$6,200 for Employ the Handicapped, which is the same as the Governor's recommendation.

Wage & Hour

\$151,000 for Wage & Hour as compared with the Governor's allowance of \$156,900. Senator Lewis' decreases are \$1,000 in Code 200, \$2,200 in Code 300, and \$500 in Code 500.

INDUSTRIAL SAFETY

Senator Lewis recommends a total for Division of Industrial Safety of \$511,900, as compared with the Governor's revised allowance of \$530,500, breakdown as follows:

Safety & Electrical Inspections

\$349,600 for Safety and Electrical Inspections as compared with Governor's figure of \$372,200.

Pressure Vessel Inspection

\$162,300 for Pressure Vessel Inspection as compared with Governor's figure of \$168,300.

WORKMEN'S COMP.

Senator Lewis' recommendation for Workmen's Compensation Division is \$286,900 as compared with the Governor's recommended \$311,000. Breakdown as follows:

Admin.

\$166,900 for Administration as compared with Governor's \$191,000.

2nd Injury

\$120,000 for 2nd Injury, which is the same as the Governor's recommendation.

EMPLOYMENT SECURITY

Senator Lewis recommends a figure for Division of Employment Security of \$5,300,700 which is the same as the Governor's revised recommendation.

MANPOWER TRAINING

Senator Lewis recommended a figure for the Manpower Training Division of \$874,800, as compared with the Governor's \$1,059,200. Senator Lewis noted this is where the slush fund for "seed money" for federal programs was contained and he deleted that.

TOTAL

Senator Lewis recommends a total for Dept. of Labor of \$7,629,200 as compared with Governor's revised recommendation of \$7,868,200. The general fund impact of the total budget is \$1,294,100 as compared with the Governor's of \$1,568,100.

Messrs. Lind and Norem left and Mr. Herb Soll, head of the Public Defender Agency, appeared before the committee. Mr. Soll explained that with the Public Defender Agency being a relatively new agency, anticipating budgetary needs has not been easy. He noted that the budget submitted to the Governor by the Agency was prepared before they had had a full year's operation. Now they are more able to tell what their needs are than they were at that time.

He stated that there is a case pending before the Supreme Court on whether or not the state is required to provide legal counsel for indigents in misdemeanor cases. They are anticipating the Court's decision to be that they do have to provide counsel. Up until this time, due to the lack of personnel, they have refused to handle misdemeanor cases. Should this case be decided in favor of requiring that the state provide defense counsel for misdemeanors, the public defenders are going to have an even greater problem dealing with a great caseload. Since people can be jailed for misdemeanors, he seemed to feel that actually they are entitled to counsel. He further described current problems in Anchorage, where they have four public defenders. The outlying areas around Anchorage, which these defenders are theoretically to aid in covering are not being taken care of because they are just too busy in Anchorage itself.

A possible solution, or partial solution, to some of these problems of too heavy a caseload, is a proposal made by UCLA that third year law students come up to Alaska to work for the Public Defender Agency, do research and handle misdemeanor

cases in court. It is proposed that there be three of these students come up at a time, changing after the fall quarter, after the winter quarter, and after the summer quarter. In other words, there would be 9 different students a year, the equivalent of three full time students. The proposal is that these law students would be paid minimally - just enough to subsist on, plus their transportation. This has been figured out to \$7900 per attorney year, or a total of \$23,700 for the program for a full year, and this includes the travel. Mr. Soll said that these students will be fully qualified to do necessary research and to handle these cases in Court - perhaps even might do a better job than a practicing attorney, because of their enthusiasm with their first experience in practicing law. Sen. Butrovich raised the question, would they be allowed to practice law in the State, as they are not members of the Alaska Bar. Mr. Soll said that he has spoken with the Attorney General, who is aware of similar programs in other states, and using those states as a precedent, he does not anticipate any problem. Sen. Butrovich said that he thought the committee would want some assurance^{of this}/in writing before they would be willing to commit themselves to such a program. Senator Hensley asked Mr. Soll if the Supreme Court decides that the Public Defender does not have to handle misdemeanor cases, would he still want this program with UCLA, and Mr. Soll said probably not in the same number. It still would help the Agency with their high caseload to have these people doing research for them.

Senators Koslosky and Ray left.

Mr. Soll said that he also wanted to mention that, although this does not apply to his budget, they would like to see increased programs in education and programs for people interned in various correctional institutions in the state. Sen. Butrovich recommended that any budgetary changes Mr. Soll wanted be submitted to the Governor's Budget Review Committee as soon as possible. Mr. Soll said that this has already been done.

Adjourned: Meeting adjourned at 3:30 p.m.

SENATE FINANCE COMMITTEE
Friday, March 26, 1971
11:25 a.m.

Present:

All members with the exception of Sen. Palmer were present.

Also present was Mr. Bill Sheffield, representing the Alaska Visitors Association.
to present further testimony on the Department of Economic Development, Division of Travel, budget.

ALASKA
VISITORS
ASSOCIATION

Mr. Sheffield stated that, considering the financial difficulty the State is in, they are decreasing their request (see pages 331-333 of Minutes) presented by Mr. Seymour by a total of \$88,000 . Reductions in the requests are: \$25,000 in request No. 2, the media advertising and printing account, \$25,000 in request No. 3, the foreign travel promotion, \$25,000 which eliminates their request for visitor facility development coordinator, which he emphasized they still feel is important and he hopes will be taken care of next year, \$10,000 for the matching fund grant program, and \$3,000 from the Travel Account. Details of these programs can all be found on pages 331-333 of the Minutes.

Sen. Ray expressed support of what the Alaska Visitors Association is trying to do, and raised some questions about the effectiveness of the Department of Economic Development.

Recess:

Meeting recessed at 12:00.

After Recess

Present: All members of the Committee. Also present were Commissioner Joe Henri and Deputy-Commissioner Dick Freer of the Department of Administration; and Director Myrt Charney, Mr. Ron Lind, and Mr. Rich Guthrie, of the Division of Budget and Management; and Mr. Tom O'Donnel, Management Consultant to Administrative Services for the Department (including Pioneer Homes).

DEPT. OF
ADMINIS-
TRATION

Chairman Butrovich called the meeting back to order at 1:35 p.m. Sen. Ray moved and asked unanimous consent that they go into executive session. No objection, so ordered. Sen. Rettig asked Mr. Henri to start out with the analysis the Department prepared reconciling the Governor's recommendations with the Department's review.

Mr. Charney began by saying that essentially the revised budget follows the recommendations of the Review Committee down the line. An allowance of \$150,000 for Data Processing and \$100,000 for Program Budgeting was added to the original Governor's allowance. He noted that a big share of the Administration appropriation, \$6 1/2 million goes to the revenue sharing account, and so the percentage of reduction does not look big. Mr. Henri emphasized that the \$6 1/2 million for revenue sharing would not alter at all.

Sen. Rettig asked about the additional Pioneer Home incomes and Mr. Henri said that was the other addition to operate the new Palmer Pioneer Home. There is a supplemental request which is still pending to enable them to begin operation of the Home in May which is 4 months earlier than the projected date of completion. Sen. Butrovich told him that the bill is in free conference committee now and has passed both the Houses.

Mr. Henri said that another reason their budget doesn't look like it

has been reduced is that the new Pioneer Home has substantially increased their operating budget.

Sen. Butrovich asked for an explanation on the \$100,000 added for program budgeting.

Mr. Henri stated that last year the Legislature passed a new executive budget act and determined that the state start program budgeting. Under this there would still be a budget which would go through the process, but in program budgeting they go according to goals and what is trying to be accomplished. The Budget Document would be in more understandable terms for everyone. The goal to be accomplished would be the first thing on the page along with the appropriation necessary. The idea is to see whether the dollars produce anything--they are trying to quantify. The purpose of the reviewers would be to see what the dollars brought forth. Instead of line itemizing, the goal would be there and one could see the relationship between two departments on that project.

Sen. Butrovich asked about the study being done by Management Analysis Corporation, and Mr. Freer said that he had copies of the summary in hand. The final report has been drafted, but before being printed, the consultant people were arranging through the Governor's Office a joint meeting of the two finance committees and Budget and Management to go over the report.

Sen. Butrovich stated that \$50,000 had been allocated for this and asked what the additional \$100,000 was for. Mr. Henri said that this was to implement the program--to help Budget and Management get the thing going in the right way.

Mr. Henri stated that the program budgeting would be a zero-based budget review. Expenses will be from the ground up.

Sen. Butrovich asked whether people would be hired for this on the

state payroll, and Mr. Henri said that they anticipated hiring people on the state payroll, but that during the first year of transition, they will need expert help.

Sen. Lewis asked if the Department was satisfied with the study, and Mr. Henri replied that they were very satisfied. He added that the two consultants were outstanding men. Since Alaska is the first state in the nation to contemplate program budgeting, it would be a feather in their caps to be able to say there was a state using their program, and so they will work extra hard to see it through. Mr. Charney pointed out that this was a full three-year implementation program. It doesn't really get going until they get the first year's feedback. The plan is that next year the budget will be presented in its new format--the following year feedback from it will be coming in, and by the third year they will know how close they are coming to meeting goals.

Sen. Rettig asked if the \$100,000 increase was additional to the \$50,000 already in the budget and was told yes. He then asked if the \$150,000 was to be used for professional fees and Mr. Charney replied no, that the money was for the whole program budgeting program. It would include the addition of three professional people in the Division of Budget and Management and two clerical people to relieve the professionals. Also the money would be used for supporting the first year data processing that they wouldn't be able to handle and also the Division of Finance because there were going to be changes in accounting procedure.

Mr. Henri said that the conversion would include getting every other administrator committed to the program.

Mr. Charney stated that they planned to build up to a continuing

level and supplement it during the heavy period by contract. Sen. Rettig asked if they had any reservations about the program's success when applied to total state operations and wondered if it wouldn't be smarter to start with one department. Mr. Charney said that the problem is that all programs interlap, and that it would be very hard to find a program confined to one department. Sen. Rettig stated that he couldn't help recalling the SWISS Program which they had spent \$1 million on, and Mr. Charney stated that the state had taken the program from the Consultant and said that they would implement it themselves. Without the consultant, the state had messed up. It wasn't that the program plan itself wasn't good. In response to questioning about the cost of the program after June 30, 1972, Mr. Henri said that the only cost after that would be the 5 people to carry on. Those people would simply do the management job.

Sen. Rettig asked about the \$150,000 additional for Data Processing. Mr. Henri said that there had been some reduction of staff in other departments. They are trying to provide more service in some areas such as Oil and Gas and Division of Motor Vehicles. The Division is doing a lot of work for Motor Vehicles so that licenses can be kept up-to-date and available to law enforcement agencies. Administration has to go over all of the budgets of all of the Departments and put the budgets on computer. In this way, anytime anyone makes a change, they are immediately able to print it out with/^{the}complete budget and forecasting.

Mr. Charney stated that one cut in Data Processing was for the operation of a third shift. They are operating a third shift now through overtime. The computer is operating at a 60% to a 98% capacity, including weekends. They don't have any more overtime

left in the budget.

Sen. Rettig asked if they had a second or third generation computer, and was told a third generation. He then said that he had heard that sometimes second generation programming was used so that the third generation was putting out a second generation product. Mr. Henri said that that was true and that by July 1 they would be on to a complete third generation project.

Sen. Hensley asked what the new program budget was going to look like. Mr. Henri replied that ^{what} he would like the budget to do is be a text book on Alaska for the whole year. It would have all of the general facts from each department. He would also try to have in there what the local government is doing on the same subjects and what the federal government is doing.

Sen. Hensley presumed it would show the funding objective and also whether they have funds to reschedule. Mr. Charney said that this would come when they start getting feedback.

Sen. Rettig asked who measured the degree of achievement, and Mr. Charney said that everything would be supported by facts and figures so that there would be no assumptive program goals, thus, all goals will be measurable.

Mr. Freer said that this system would demand more from the legislature in how it approaches the budget--more analytical program determinations instead of just arithmetic. An independent group will be used to evaluate for the executive side, and he imagined that the same would be true of the legislative side.

Mr. Freer felt that programs not producing will be more easily identifiable so they can be cut.

Sen. Palmer felt that this would tie down the budget approved by the

legislature since money would be tied up within programs and Executive Order 20 could not change them as easily as they can be changed now.

Mr. Charney said that was very true. There will be no switching between programs under the new system. Another factor is that the budget document will be available to the legislators by the middle of December so that the staff and the legislators would have the opportunity to go through it ahead of time to do analysis. He anticipated that the Governor would present his budget message in the middle of December on the radio and then again to the legislature when it convenes.

Sen. Ray suggested that instead of doing it that way, allowing the members of the staff of the finance committees to sit in on the Budget and Management review when they are putting the thing together. Mr. Charney said that as he reads the statute right now, when the Department submits a final it is supposed to be given to the legislature.

Returning to discussion of the Department budget, Sen. Ray indicated that he felt an effort to mislead the legislature is being made. For example, on page 18 it says that the program maintenance level is \$16,000. Sen. Ray wanted to know where the other \$2,200 came from and why it wasn't put down as program increase. Mr. Freer felt that he was using the word program increase too literally. If you have an employee making \$10,000 a year and increase his salary to \$11,000, the additional \$1,000 is not program increase. Mr. Henri said that if freight rates or postage rates go up, it costs more for the same level of service.

Mr. Freer admitted that they were probably putting too much into

program maintenance and being more conservative in putting it into program increase.

Mr. Lind said that often even when they anticipate having a vacancy, it is not reflected in the budget.

Sen. Ray further noted that if vacancy and turnover is anticipated it should be shown.

After further discussion on vacancy and turnover, Mr. Charney reminded the committee that the budget is made several months ahead of presentation.

Sen. Palmer asked why it wasn't reasonable to have all salary increases and reclassifications take effect on July 1, and Mr. Henri said that they were told by Pat Hunt that he couldn't begin to do the job of reclassifying all at once. They could be effective all at once, but they can't be hired until they are reclassified.

Sen. Hensley asked why the vacant positions weren't cut off at six months instead of 9 months and Mr. Charney said that there is a problem the departments have concerning classifications. New positions created cause havoc in the job of classifying them, so work is slow. A lot of the departments are really authorized to fill positions, but the positions haven't been classified yet, and so they cannot fill them.

Sen. Rettig asked the Commissioner to go through the different divisions and give their functions.

Personnel Mr. Henri stated that the Personnel Division takes care of hire for the departments. They have to see that all statutes and rules are with the times and that their requirements are met.

Budget & Management This division will be managing program budgeting during the next year. They also take care of archives and records and central duplicating--they are the print shop for the executive branch.

Sen. Palmer asked whether the \$300,300 which they are allowing for personal services under Budget and Management included the 5 new positions for program budgeting. Mr. Henri told him that those positions were under contractual services because of the uncertainty of how they would be allocated.

Office of
the Commi-
ssioner

Sen. Palmer asked about internal audit and Mr. Henri told him that it came under the office of the Commissioner. There is a scheduled auditing of every department every three years. Other work is done on request, if someone needs help, they do it. Recently, an example is the University of Alaska bond program, where interest subsidy is available through both HUD and HEW. The University wasn't paying attention to it and the Department was afraid that they could lose \$10 million on the life of those bonds by not getting the interest subsidy from the federal government, because the projects have to be approved in advance and the funds allotted. Internal audit went in to take care of that.

Sen. Rettig asked about the \$2,000 inter-agency receipts on page 23. Mr. Lind said that FICA paid for travel to political subdivisions. Mr. Charney said that it comes in on page 287 under retirement benefits section, from that budget which pays auditing expenses for this agency. Mr. O'Donnel said that page 303 details it.

Sen. Rettig asked why other departments weren't charged when auditing was done for them. Mr. Henri said that it was a policy they had in their department. They also do work for the courts and bookkeeping. So, when looking at other department's budgets, it's not really the total cost. Mr. Freer commented that each one of their functions serves some other department.

Mr. Henri hoped that this administration would do a better job than

had been done previously in analyzing federal monies available to the state. He said that the internal auditor has just worked out a plan they are about to implement to pro-rate to federal government the cost of up-keeping functions in all agencies when they get their grants. He has worked out a formula that will increase the revenue by about \$500,000 a year in federal receipts.

Finance

This is the bookkeeping division. They keep general ledgers and pay all the bills of the state and the payroll. They have the state's Chief Accountant and keep track of all funds of the state, all bond payments, and social security payments.

Supply

Supply Division is the purchaser of all supplies for all agencies of the state and they also purchase insurance for all departments except the University of Alaska.

Sen. Rettig asked about the catalog provided to communities, and Mr. Henri said that was a program about to get started. So far, little has been done, but they are about to provide communities with their book of suppliers. The book would be available to political subdivisions and they would be allowed to use the state price if they wanted. They have backed off from doing more than that.

Mr. Charney said that the figure, \$17,000, is the fee from local governments for surplus food storage. The food is free, the payment is for service.

Mr. Henri stated that the Division of Supply also distributes free food to schools and non-profit organizations. They also distribute federal surplus property.

Data
Processing

This became the central data processing agency for the state under Executive Order of Governor Hickel. All types of activity lend themselves to data processing, and Mr. Henri said that he wanted to

get a committee of people from all departments to set up priorities for data processing. An example of a recent project they undertook was jury lists. They composed the list from income tax returns, Fish and Game licenses, and motor vehicle licenses and then divided them into court and judicial districts and eliminated duplications. Sen. Rettig asked the name of the man who heads Data Processing, and Mr. Henri said his name was Keith Angier, who just resigned effective April 1.

Mr. Henri stated that in the last 18 months data processing has come up a lot. Mr. Mario Martini did a report prior to that, and most of his suggestions have been implemented.

Pioneer
Homes

Sen. Rettig said he had some questions concerning the type of operation it is. It costs about \$9,000 a year per guest, and he wondered whether instead of retirement homes, they were to a large extent nursing homes.

Mr. O'Donnel said that to a point they were for those that require the service. Some of these people in private homes may need extensive care. In Sitka and Fairbanks, a number of guests do require care. There are approximately 25 nursing home guests in Fairbanks, and 60 in Sitka, so in terms of the total number of guests, it is not a large number.

Sen. Hensley asked if Mr. O'Donnel was familiar with his bill asking for a transfer of the Pioneer Homes to the Department of Health and Welfare, because of federal funds which would be available. Mr. O'Donnel was familiar with the bill, but wondered why the funds wouldn't be available to the Department of Administration. Sen. Hensley replied that the Pioneer Homes had to be designated as service agencies. Mr. Henri stated that the only reason it was in the Dept. of Administration was because various political groups didn't want

it to be in the Department of Health and Welfare, partly because of the connotation of the word "welfare".

Sen. Rettig asked what the \$25,000 for investment services was, under the retirement system (page 296). Mr. Henri answered that it was the fee paid to the Alaska National Bank and the First National Bank of Anchorage. If the fund could be made to earn more, they could pay for the benefits out of that, and he hopes to be able to accomplish this.

Sen. Lewis mentioned that federal funds had been brought up with all of the departments/ ^{they have reviewed} He asked if Administration planned to study how long these federal funds would be available for programs. Mr. Henri said he was aware that you have to be careful what you take in case federal support is dropped. One of the things program budgeting will have is the cost of the project for this year and for each year for five years out and the source of funds for those years.

Sen. Rettig asked if the Department had had afterthoughts since preparing the budget document. Mr. Henri said they hadn't.

Sen. Rettig asked if they were able to reconcile their budget with the financial projections for the state. Mr. Henri answered that the projected expenditure of around \$293 million would still leave them running out of money towards 1980 if they increase at 10% a year and if oil comes out in 1975, and if the oil doesn't come out, it would be much worse.

Sen. Butrovich asked the per cent of increase over last year in the revised budget and Mr. Charney said it was about 11% including the new Pioneer Home.

Mr. Freer reminded them that their Department was at the mercy of all other departments.

Sen. Rettig said that the federal government has a Bureau of the Budget which wields a strong hand over many areas. He asked if that could work in the state government if they correlated every program with a 5-year impact to see what it did. Mr. Henri stated that they had the authority to do that since under the statute they can restrict funds. The question was whether the Governor would say they were not going to spend funds even though they were appropriated.

Sen. Lewis stated that there is a \$208 million income and a \$297 million out-go, and he felt that spending should at least be cut down to income.

Mr. Henri agreed that they should get within their income. He mentioned that a couple of things may happen. He had written a letter to Senator Stevens to find out about a pending appropriation bill by the federal government which would fund welfare payments for Indians, Eskimos and Aleuts and thus free about \$20 - \$25 million. Also pending are capital improvement funds of \$331 million including \$51 million of federal highway funds.

Mr. Freer stated that up until now only dollars have been taken out of budgets, but in the future programs will have to be eliminated. They will have to go below the level and eliminate services.

Recess: Sen. Butrovich called a recess at 3:30 p.m.

After Recess

Sen. Butrovich called the meeting back to order and turned it over to Sen. Rettig for his recommendations on the budget. Sen. Rettig passed out copies of his work sheets. He said in summary, before getting down to revenue sharing, that he had reduced the Department's requested budget by \$515,000. [there have been some slight adjustments of this since this date]

Office of the Commissioner
In the Commissioner's Office he reduced personal services from \$144,000 to \$130,600 by eliminating one additional body which they were transferring in at \$10,008, reinstating vacancy and turnover \$1,820, and recalculating employee benefits.

Code 100

Code 200 Sen. Rettig eliminated all outside travel, with one or two exceptions where essential, which brought travel to \$6,000.

Code 300 Under contractual services, page 18, he said that he had to agree with what Sen. Ray had brought up earlier that the requested figure is, in fact, program increase. He reduced that figure to the 1971 level which is \$13,800.

Code 400 He reduced commodities, page 19, to the 1971 level of \$400.

Code 500 He eliminated the \$1,500 equipment request entirely as it was for the new transfer.

Code 800 He left Code 800 the same, Ø.

Code 900 He left Code 900 at the \$1,500 figure.

total The total reduction for this section is \$18,700, and his recommended total for the Commissioner's Office is \$152,300.

Internal Audit In Internal Audit, under personal services he eliminated no positions, but did reinstate the vacancy and turnover factor, \$1,900, and recalculated the employee benefits and came up with \$147,500, a reduction of \$2,300 from their original request.

Code 100

Code 200 Under Travel, Sen. Rettig allowed \$5,200, deleting the \$1,000 increase

for audit assignments and \$200 for transportation of the new employee.

Code 300 Under Contractual Services he allowed \$1,000.

Code 400 In Commodities he allowed \$100.

Code 500 He allowed nothing for travel.

total The total allowance Sen. Rettig made for Internal Audit is \$153,800.

Total Sen. Rettig's total for the Office of the Commissioner is \$306,100.

Personnel The Department's revised request for personal services was \$603,700

Code 100 and the figure Sen. Rettig recommends is \$591,200. Detail for this code is on page 42. He eliminated all overtime and all temporary help and recalculated employee benefits for a reduction of \$12,500.

Code 200 The Department's revised figure for travel is \$25,400 which he reduced to 50% above the 1970 figure. Sen. Rettig took the position that, of all the departments, they are sensitive to cuts that would reflect throughout the others. His figure is \$15,000.

Code 300 Under contractual services, page 57, their revised figure is \$91,200. Sen. Rettig reduced this to the 1971 level which is \$75,000.

Code 400 Under commodities, page 60, the Department's revised figure is \$8,200. Sen. Rettig reduced this to \$7,200 which is the 1971 level.

Code 500 The Department's revised figure for equipment is \$1,800, page 62. Sen. Rettig used the same figure.

Code 900 Page 65. Sen. Rettig reduced the original Department request by \$500 to maintenance level, which is also their revised recommendation, \$14,500.

Total Sen. Rettig's total for Personnel is \$704,700, the general fund figure being \$690,500.

Budget & Maintenance Sen. Rettig stated that the Department combined figures for Budget Services, Central Services, & Record Services into one revised figure. He referred them to page 67 where he recommended the following figures: Budget Services--\$250,800; Central Services--\$45,200; Archives and Records--\$107,100. His total recommendation is \$403,100 compared to their revised request of \$512,800.

Total

Budget Services He cut the maintenance level, page 72, from \$261,500 to the figure \$250,800.

Code 100 He cut personal services from \$192,600 to \$183,300. This is detailed on page 76. He eliminated overtime, reinstated vacancy and turnover, and recalculated employee benefits.

Code 200 He reduced their original request from \$5,000 to \$3,100. This is detailed on pages 81 and 82. He eliminated all outside travel.

Code 300 He reduced contractual services to \$58,100, the 1971 level.

Code 400 He reduced the figure to \$2,500, the 1971 level, from their original request of \$2,900. Detailed on page 86.

Code 500 He reduced equipment to nothing due to elimination of new position.

Code 900 He eliminated the increase and left the figure at \$3,800, the 1971 level. Detailed on page 90.

total Sen. Rettig's total recommendation is \$250,800, all general fund.

Central Services In this case, Sen. Rettig allowed \$45,200 for maintenance level, which is down from their original request of \$47,700.

Archives & Records The only change in this section is in inter-agency charges. He reduced their original figure of \$2,200 to \$1,700 which reduces the entire section to \$107,100 which is maintenance level.

Code 900

total

Finance

Code 100

He reduced personal services to \$427,300 (page 125) from their original request of \$471,900. Detailed on page 135. He cut out \$10,000 of overtime, reinstated \$10,500 vacancy and turnover, and recalculated 17% employee benefits.

Code 200

He reduced their original figure of \$2,000 to \$1,500 which is their revised figure, by eliminating the new conference in Chicago, Illinois. The figure is maintenance level.

Code 300

He reduced their revised figure of \$29,600 for contractual services to \$27,000 which is the 1971 authorized level. Detailed page 143.

Code 400

He reduced their revised request of \$2,200 to \$1,500 for commodities, due in large part to elimination of new positions. Detailed page 145.

Code 500

He reduced their original request to \$3,000 which is their revised budget figure.

Code 900

He left \$4,500 for inter-agency charges which was their original & revised request.

total

Sen. Rettig's figures add to \$464,800 compared to their revised request of \$495,200. Reducing that by inter-agency receipts of \$49,400 gives a net figure of \$415,400 of general fund compared to their figure of \$445,800, a reduction of \$30,400 in general fund.

Supply

Sen. Rettig stated that the Department had combined figures for Central Supply Service, Central Mail Service and Central Duplicating, in its revised budget request. He referred them to page 149 and

Total

gave the following allowances: Central Supply, \$448,500; Central Mail Service, \$88,100; Central Duplicating \$161,200. The total is \$697,800 compared to their revised request of \$789,000. There are \$224,200 Inter-Agency Receipts, \$17,000 Program Receipts, and the figure is \$456,600 for general fund.

Central Supply
Code 100 He took out overtime, reinstated vacancy and turnover and recalculated employee benefits for a figure of \$391,600 as compared to their original request of \$443,000. Detailed on page 158.

Code 200 Their original request was \$12,000 maintenance level. He eliminated outside travel and reduced it to \$10,000. Detailed page 165.

Code 300 He reduced contractual services to \$29,900, the 1971 level. Detailed on page 167. Their revised figure is \$33,500.

Code 400 He took \$5,800 which is their revised figure. Detailed on page 169.

Code 500 He eliminated all increases in equipment and reduced the figure to \$2,400. Detailed page 172.

Code 900 He reduced the figure to \$8,800 which is maintenance level. Detailed page 173.

total This totals to \$448,500, a general fund figure of \$431,500.

Central Mail Service
Code 100 He referred the committee to page 174. He reduced personal services to \$49,800 from their original request of \$61,800. Detailed on page 177. He eliminated new position which is on line 4 (Clerk I) which was a transfer in of \$12,864, eliminated overtime at \$3,160, reinstated vacancy and turnover at \$600, and recalculated employee benefits for a total of \$49,800.

Code 200 Ø.

Code 300 This primarily includes transfer of postage meter service from Budget and Management to this section. Sen. Rettig allows program maintenance level at \$34,600.

Code 400 He left commodities the same, \$800.

Code 500 He left equipment the same, ~~\$700~~.

Code 900 He left inter-agency charges the same, \$2,200.

to He came out with a total of ~~\$88~~,100 compared to their program maintenance of \$100,300.

Central He referred them to page 185.
Duplicating

Code 100 Sen. Rettig allowed \$72,800 for personal services.

Code 200 He allowed 0 for travel.

Code 300 He allowed \$16,800 for contractual services.

Code 400 He allowed \$71,600 for commodities.

Code 500 He allowed *nothing* for equipment.

total Sen. Rettig came up with a total of *\$161,200* as compared to their request of \$173,500, a reduction of *\$12,300*.

Data Sen. Rettig referred them to page 201.
Processing

Code 100 He allowed \$1,270,600 for personal services.

Code 200 He allowed \$5,500 for travel.

Code 300 He allowed \$415,900 for contractual services.

Code 400 He allowed \$41,700 for commodities.

Code 500 He allowed \$1,300 for equipment.

Code 900 He allowed \$600 for inter-agency charges.

Total He came up with a total of \$1,735,600 less inter-agency receipts of \$184,600 leaves a net of \$1,551,000 general fund.

Sitka The only thing Sen. Rettig did on this was to reinstate the vacancy
Home and turnover of \$11,200, recalculate the employee benefits, and
Code 100 reduce the amount of personal services to \$752,800 from their revised figure of \$764,900.

He left all other Codes the same except for Code 700.

Code 700 Here he increased the figure to \$46,800 from \$31,200. The increase is for the raise in personal allowance for each guest. The amount is \$15,600 more.

Totals The total general fund figure is \$1,012,500,

Fairbanks He referred them to page 259.
Home

Code 100 He allowed \$371,100 for personal services.

Code 200 He left travel the same as their revised request, \$1,400.

Code 300 He left contractual services the same as their revised request, \$57,800.

Code 400 He left commodities the same as their revised request, \$81,700.

Code 500 He left equipment the same as their revised request, \$1,000.

Code 700 He increased this Code to \$12,600 from \$8,400 to reflect the increase in allowance per guest.

Total His total allowance was \$531,000, all general fund.

Palmer Home Sen. Rettig did not touch this budget as he had no experience with it. He left the figure at the Department's revised request, \$448,100.

EMPLOYEE BENEFITS & RELATIONS The unrestricted general fund receipts are \$7,700 and there is no change in the Public Employees Retirement System Administration, and there is no change in the Teacher's Retirement System Administration.

Revenue Sharing Sen. Rettig reduced this to \$4,000,000 from \$6,500,000. This can be done legally, as the moneies are pro-rated, he said. Reduced to an actual percentage reduction, it is about 40%.

TOTAL Sen. Rettig stated that his cuts were \$515,000 below their revised request, and yet still left an increase of \$576,000 over fiscal year 1971. It is about \$200,000 lower than last year's budget, discounting revenue sharing adjustment and the Pioneer Home at Palmer. His total recommendation is \$10,784,500, of which \$9,820,000 is general fund.

Adjournment: Meeting adjourned at 4:55 p.m.

SENATE FINANCE COMMITTEE
Monday, March 29, 1971
11:00 a.m.

Present: All members were present with the exception of Senator Hensley.

General: Chairman Butrovich called the meeting to order at 11:00. He informed the committee that there would be a joint Finance Committee hearing for the purpose of listening to testimony from representatives of the University of Alaska Student Senate with reference to the University of Alaska budget. Sen. Rettig noted that this may be interesting, as the vanguard of the group, who he had talked with at an earlier date, had expressed the feeling that many students felt that actual instruction suffered in the administration of funds, with a stronger emphasis placed on research. He had expressed the feeling to Sen. Rettig that perhaps the finance committees through legislative intent could give some direction to the University as to what educational priorities should be. Sen. Butrovich said that the committee members were all welcome to attend the meeting, but that should they have other matters that needed their attendance, there will be coverage in the minutes, and he and staff members will attend the meeting so it is not compulsory.

Bill
Assignments

Senator Butrovich assigned the following bills:

CSHB 61 (supplemental - Health and Welfare)	Sen. Lewis
SB 42 (loans and grants for hospitals)	Sen. Lewis
SB 184 (Approp. to City of Kenai)	Sen. Rettig

SB 98 Senator Lewis moved and asked unanimous consent that SENATE BILL NO. 98 (Official State Plumbing Code) be brought up. No objection, so ordered. Sen. Lewis simply stated that this bill

which he sponsored was referred to Finance by his own suggestion, and he stated that he would like it to come before the committee rather than be buried. He asked that when Sen. Hensley, who is researching the bill, returns to the State, that this bill be brought before the committee for action. There were no objections to this request.

SB 15 Senator Palmer moved and asked unanimous consent that SENATE BILL NO. 15 (State aid for school construction) be brought up for consideration. Senator Lewis said that his recommendation is that the bill pass as it is, but he said that Sen. Rettig had also done some research on the bill and had some alternate recommendations. Sen. Rettig said that he was asked to determine what payments would be to the Kenai borough had they issued bonds rather than paid for their construction with cash. For Fiscal 1970 they would have paid bond service of \$124,468 on 10 year bonds and \$79,905 on 20 year bonds, which is what school construction bonds usually are. This is figured on 6% interest rate which is what the Commissioner of Revenue has stated would have been the probable rate had the bonds been issued in 1968 at the time construction was started. Payments were made for 1970 to the other areas and so there would be two years involved for Kenai. Senator Koslosky asked if these figures include both principle and interest, and Sen. Rettig said yes. Sen. Lewis stated that the way he sees it is if the bill had been interpreted the way the legislature had intended it to be, Kenai would have been paid, and so he feels that they should be. There was discussion on including in the bill for Kenai a

repeal of the statute providing for further state aid, or at least a reduction in such. Sen. Palmer asked that this not be done, however, as he did not want the two issues confused, and the committee agreed that this was a good idea. The committee decided that the best way to take care of this situation is to amend the statute to include those areas paying cash for school construction, and take care of the funding for Kenai in the Department of Education supplemental which has not yet reached this committee. Sen. Palmer moved and asked unanimous consent that the committee substitute for SB 15 be reported out with a do pass recommendation. Sen. Ray objected, and on vote the motion carried 5-1. [When the committee substitute has been prepared, it will be presented to the committee members for their approval and then sent to Rules.]

The committee then discussed drafting a bill to repeal the statute providing for this state aid for school construction, and Sen. Butrovich expressed the feeling that such a bill would never pass. The recommendation that the amount be decreased to 25% was made by Sen. Rettig, and Sen. Butrovich said that he personally would support such a bill. Sen. Koslosky expressed concern for the inequity here, when unorganized boroughs are taken care of 100% by the state, and small organized boroughs have to pick up their own tab, in essence being penalized for organizing. However, he said that considering the financial position of the state, he would support this legislation also, but he wished the committee could come up with some way to take care of this inequity. Sen. Ray said he would not support this legislation.

Senator Rettig moved and asked unanimous consent that

SENATE BILL NO. 149 (increasing fish & game licenses) be

brought up for consideration. No objection, so ordered.

Sen. Rettig noted that Alaska has one of the lowest fishing license fees in the country; they have not increased since statehood. The idea of increasing the sport fishing license fee came about with the recognition that there were insufficient funds in the designated fund to cover all the projects the department felt necessary and so in this year's budget they have come in with general fund requests. Sen. Butrovich indicated disapproval, and seemed to be supported by the committee in this, of using general fund monies for these projects. Therefore the idea of increasing the fishing license fee was brought up. The department has no objections to this, and Sen. Rettig said that the Senate Resources committee substitute for this bill is what the department is in favor of. The committee voted unanimously to replace SB 149 with Senate Resources Committee Substitute for Senate Bill No. 149, amended by the Finance Committee to include an effective date of January 1, 1972, and reported it out of committee with a unanimous "do pass." The committee also requested that Mr. Dean draw up a bill to increase the 25¢ subsistence license to \$5.00.

Recess:

Meeting recessed at 11:50.

JOINT MEETING
SENATE AND HOUSE FINANCE COMMITTEES

MARCH 29, 1971

1:35 p.m.

Present: Members of the Senate and House Finance Committees and Senator Clifford J. Groh. Students from the University of Alaska: Dennis Dooley, Dan Wetzel, Fred Jack, Martha Jack, Chip Wagoner, Russ Clark, Jim Lentine, Jean Johnson, John N. Davies, David Christy.

University of Alaska Mr. Hohman called the meeting to order and introductions were made. Dennis Dooley, student body president, stated testimony given today by the students would be candid comments expressing their real concern about the budget cuts. Opinions will be given from students in various programs, explaining the effects of the cuts. Mr. Dooley said he had one statement to make before calling on the students for testimony; which was the fact that Alaskans are united in a general feeling of anger at the interference in Alaskan affairs by people from outside the state. The only solution, in Mr. Dooley's opinion, is for Alaskans to take care of their own problems internally, and not look for outside help and guidance. He then introduced Russ Clark, an Alaskan student and a graduate of Juneau/Douglas high school. Mr. Clark spoke very briefly and noted he felt Alaskans should go to college in the state, rather than go outside. He added university programs are starting to grow.

Mr. Dooley then introduced Martha and Fred Jack, students who spoke on the rural school and course development going on at the University. Martha Jack said native students have peculiar or different problems and a program was initiated last year in order to aid these students, Student Orientation Services, or SOS. The program was developed with

oil money and has expanded from the original head counselor, Mr. Egan, to include another full-time counselor and three native part-time student counselors. The purpose of the program is to aid native and rural students with registration, advise academically, find rooms, and provide a tutoring service. The board is composed of 10 members. Increased enrollment is anticipated due to recruitment in high schools, and Mrs. Jack reported the program is just beginning to show results. The reduction in the budget will limit their activity, and prevent them from hiring another counselor. Fred Jack stated he was one of 250 native students on campus. The rural area high schools just don't prepare a student for college, he said. One of the projects in SOS is planning courses relevant to them as students, and ones which would help in other courses. The program is running smoothly, but the increased enrollment will require an increase in funds. The new courses needed include Alaska Native History, Alaska Native Literature, Home Economics (Skin Sewing), political session for the natives; i.e., land claims, involvement in state affairs, etc. Mr. Jack said these are not easy courses, and with the budget cuts it is not known if the courses will be offered. A coordinator is requested for the courses, and native instructors would be preferred, but Mr. Jack's understands these have not been budgeted.

Mr. Wright asked who was employed in this program at present, and what positions were requested. Mrs. Jack said there is a head counselor, a native graduate counselor, secretary, three part-time counselors, and tried to remember who else was in the program. Mr. Wright asked her salary and she answered about \$2.50 - 3.00/hour. Mr. Wright noted the wide variance between the budget document and her answers, and the students answered they were not familiar with what was in the budget.

Senator Ray then asked how the students know the limitations on the budget due to the reductions and Mr. Jack said he had been advised by the head counselor, who had probably learned of the cuts from Dr. Theophilus. Senator Ray said the legislature budgets a lump sum amount to the University, and they budget accordingly. If the students could pinpoint exactly who is responsible for the cuts in programs, the legislature could put it in as a specific line item in order to be sure it is included. Chip Wagoner said this would be an excellent idea, since the "black hats" (Dr. Wood, the deans, and the budget director) determine which programs will be reduced. Mr. Wagoner asked the legislators present that if they felt the programs presented were necessary, please authorize them accordingly in a letter of intent. The university officials have decided the first thing to be cut will be new programs and next will be improvements to new programs. Senator Rettig said Mrs. Jack mentioned oil money and asked her what she meant. Mrs. Jack said last year the SOS program was started too late to be included in the budget and three oil companies contributed \$40,000 toward the program. Senator Hensley wished to emphasize the same point made by Senator Ray; the fact that the university officials make the budget decisions and the legislature is interested in what the students feel is needed. Mr. Wright noted he is still curious about the \$100,000 budgeted toward the SOS program, and would like to know where it is going.

Mr. Dooley introduced Dan Wetzel, a student in the Biology Department. Mr. Wetzel said he had two points to present: what will happen to the quality of education the student receives and what will happen to resource management in the state. Resource management is the area

of two big issues in Alaska - oil and environment. The state has the potential to train professionals in this field, but expanded programs and more instructors are necessary at the university in order to explore the potential. In answer to a question from Senator Ray, Mr. Wetzel said a broader spectrum should be provided, and diversification of the entire program. Senator Ray asked if the staff is putting too much emphasis on theses and Mr. Wetzel said no, not enough. Facts are needed for a solid base. Senator Hensley asked what programs in the department will be cut and Mr. Wetzel said new positions of an ecologist and assistant in Biological Sciences and a professor in the Department of Land Resources. Programs which need to expand will remain the same and new programs will not be started. Mr. Wright asked how many students were in this department and Mr. Wetzel said he did not know, but it had increased 54% last year.

Senator Butrovich explained the budget has increased in the last few years about 4-15%, but last year it increased from 12 million to 17 million. However, last year the state had \$900 million. This year the budget request jumped to \$25 million, and the state has other responsibilities beside the university. The legislature provides the money, they do not attempt to tell the Board of Regents what courses to offer. Mr. Butrovich concluded by saying the obligation of the legislature is to all the people of Alaska. Mr. Wetzel argued that there will be a return on the investment of funds in resource development.

Recess: The meeting recessed at 2:45 p.m.

AFTER RECESS
3:05 p.m.

Mr. Hohman called the meeting to order. Mr. Dooley introduced Jim Lentine, who said he was a third year student at the Business College. He testified that the biggest problem at the Business College was the turn-over in faculty due to the salaries offered to teachers. The salaries offered in the lower 48 are comparable to the University of Alaska's salaries, but the cost of living is much higher in College than any other university town. Mr. Lentine continued that the depth and scope of courses are not adequate. As a marketing student, he is very limited since there is only one marketing professor. The requested professor of logistics has been deleted, and a big problem facing Alaska now is goods and services transportation should be studied. He said the students are hurt and in the long run the state is hurt. Many of his friends went out of state, but Mr. Lentine felt Alaskan students should go to the University of Alaska and work toward providing good education for the state. He continued that all indications are funds will not be available for the computer information course, a two-year computer program offering an associate degree. The accounting department has two full-time professors, while students have increased 60%, and Mr. Lentine felt the student should be exposed to more points of view. He concluded that concern is expressed by students about faculty turn-over and the large number of students in the classes, and this year the students are attempting to get a representative on the committee to decide where the funds should be appropriated - toward which programs.

The next student to testify was David Christy, a 20-year resident and graduate of Juneau/Douglas high school. He explained the WAMI program, which is a pre-medical program involving Oregon, Washington, Montana, etc. The first year of medical school may be taken at the home state university, thereby taking the heavy burden off the medical school at the University of Washington. Federal funds provide most of the funding for this program, with the state share about \$7,500. Mr. Christy said if the legislators felt funds should be allocated to this program, a recommendation should be made to Dr. Rae accordingly. Chip Wagoner was introduced by Dennis Dooley. Mr. Wagoner discussed the university community and the problem developing. He said the university community is a normal small town, home to the student for nine months of the year. The students contribute to the community and right now have collected enough funds to buy an ambulance; however, they have been advised there is no place to put it. Student fees have increased \$10 to pay for the student activity center and to buy equipment for dorms. The biggest thing the student does is to help the university, and Mr. Wagoner asked who makes the decision for funding - not the legislature and not the students. He said the students feel they should have a say in the allocation of funds and letters of intent should be written by the legislature for programs they wished to support. It was his personal opinion that enrollment of out-of-state students should be cut, or tuition increased, although he was an out-of-state student. Mr. Wagoner continued they have been advised the student activity center will not be opened, although the building should be completed in August, due to lack of funds to pay janitors. Senator Butrovich said the state just managed to sell the

bonds, and are advertising \$13 million now for construction. He asked if the university is planning to build more buildings which will be unstaffed. Mr. Wagoner said it was his personal opinion that this information was given to get the students riled up, but, again, who makes the decision on where funding will go. Senator Butrovich said the university is the only department receiving money in a lump sum, and every other department is budgeted on a line item basis. This gives a distinct advantage to the university, since the legislature does not know or have control over spending of the funds.

Senator Hensley asked who paid for the students to come to Juneau and the answer was the ASUA.

Mr. Fink requested a letter be sent to the University asking if the student activity center is scheduled to open, or will building cease. Discussion continued on growth of the university, and Mr. Wagoner said student enrollment is increasing which creates the demand for further building projects.

Mr. Wright questioned the level of teaching in the upper level courses and said enrollment is dropping in the third and fourth year. Mr. Dooley said the teachers are not paid adequate salaries and leave. Programs should be expanded in upper division courses, since the students do feel the university is improving and will stay for higher level classes.

Mr. Dooley then introduced Mr. John Davies, a graduate student from the Geophysical Institute. Mr. Davies said he noticed a definite feeling that research is not well regarded, which is basically due to the fact that researchers are not good P. R. men. Expertise is available at the University of Alaska, but Mr. Davies believes the

general public considers research to be impractical. He proceeded to list the projects aided by research, mainly earthquake studies, and said the benefits that accrue to Alaska are many.

Mr. Dooley said in conclusion he had two points to make. Faculty salaries should be increased to bring them in line with other states and perhaps lessen turn-over, and \$25,000 should be included in the budget to cover new programs.

Mr. Warwick asked if the university was really over-crowded or if empty classrooms still prevailed, and Mr. Dooley said some courses are over-crowded, some are not. Tuition was questioned and Mr. Dooley said it is \$100 per year, plus activity fees, laboratory fees, etc.

Mr. Wetzel said he feels it is a bargain and would not mind paying more tuition. Chip Wagoner repeated the fact that it was his opinion tuition for out-of-state students should be increased, but Mr. Dooley said one problem is that after one year the student is considered a resident.

It was mentioned that Mrs. Jack now had the answers to Mr. Wright's questions on personnel in the SOS program and she listed them as follows: Head Counselor, Mr. Egan, who students identify with strongly and feel his salary should be increased; Counselor; Financial Assistant listed in budget but not really in the department; administrative secretary, and three part-time girls. She said the positions requested are very important - an Admissions Counselor to aid students entering the university and a Senior Stenographer to take care of the secretarial load. The part-time students need the salaries paid, or perhaps could not stay in school.

Mr. Wright noted his personal feeling was that grants should be eliminated and loans increased. Discussion continued on the cost of