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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Senator Lewis left the meeting.

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

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

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

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

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

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

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

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

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

AFTER RECESS
11:00 a.m.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PRESENT:

Representatives Pink and Warwick. Dr. Ray, Dr. Dafoc, Dr. Moyer, Mr. Harold Byrd, Mr. L. Haynes and Mr. Hollinger were also present.

Acting Chairman Andrew Warwick called the meeting to order.

U of A
MAIN
CAMPUS

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

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

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

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

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

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

(Representative Degnan entered the meeting.)

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

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

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

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

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

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

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

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

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

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

(Representative Haugen entered the meeting.)

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

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

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

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

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

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

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

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

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

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

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

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

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

Senior College.

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

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

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

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

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

The meeting adjourned at 3:00 p.m.

SENATE FINANCE COMMITTEE

March 20, 1972

1:50 p.m.

Present: Senators Butrovich, Palmer and Poland. Wallace H. Noerenberg, Commissioner; Edgar J. Huizer, Deputy Commissioner; Ben L. Hilliker, Deputy Commissioner; Vern Roberts, Director, Division of Admin., Department of Fish & Game; Myrton R. Charney, Director; James Andrews, Budget Analyst, Division of Budget & Management.

DEPT. OF
FISH & GAME
Sport Fish
Restoration

Referring to page 13 of the short-form budget report, Senator Palmer noted significant expenditures for Sport Fish Restoration in 1972 and a request for 1973 of only 36.2, listed under personal services and travel. Mr. Roberts said 1972 figures included a one year program for Sport Fish Restoration which comes under a different source of funds this year. The program is still continuing. James Andrews explained that the Division of Budget & Management decided any funds over a certain amount would be listed under capital improvements. Capital items are not shown in the short-form budget, but the figures covering this program are detailed on pages 54 through 58 in the budget workbook. Senator Butrovich questioned the 172.0 figure from the general fund in 1972 for this program, and asked if this was not subject to D-J funds. Mr. Roberts replied the department had appropriated all D-J funds available. This project probably could be reimbursed, but all the D-J funds allocated to Alaska had been used.

Comm. Fish

Senator Palmer questioned Comm. Fish personal services request on page 15 of the short-form budget, and asked about the decrease from 2,636.9 authorized in 1972 to a request of 2,410.4 in 1973. Mr. Huizer replied there were eight positions transferred into the new division from this section, which accounts for the total decrease.

Comm. Fish
Research-
Southeastern

Comm. Fish Research-Southeastern, page 16, contractual services 1972 figure was 92.8 and the request for 1973 of 73.6 was questioned by Senator Palmer. Mr. Barker noted on the explanation sheet opposite page 16 code 300 listed a decrease in contractual services of \$36,300 for the completion of contract with Bendix Corp. for smolt sonar counter. Mr. Huizer added that when the eight positions were transferred into another division, some support money went with them. Senator Palmer said this couldn't account for the decrease in the maintenance level, which was down to 57.3, and asked for a written explanation from the department on this question.

Comm. Fish
Research-
Central

Page 17 in the short-form budget, Comm. Fish Research-Central listed travel as authorized 1972 23.7, maintenance 1973 17.5, and request 1973 25.5, and Senator Palmer questioned the difference. Mr. Roberts replied there was an explanation on pages 120 and 130 in the budget workbook.

Senator Palmer asked for an explanation of the expansion of the shellfish and salmon programs listed on page 130 of the budget workbook. Mr. Noerenberg said there is a different set-up than three years ago, and year after year there is a need for a shellfish man in Cook Inlet. Perhaps they should bring a man from Seward and get him involved in the program, broaden his duties to work in the Homer office. Senator Palmer asked if the program would be supported by federal funds and Mr. Noerenberg replied this is what he assumed. Senator Palmer then questioned the figures on page 130 of the budget workbook and Mr. Roberts said total change figures for a project are listed, but not broken down by line item.

Comm. Fish
Research-
Central

Senator Palmer asked for explanations of items on Comm. Fish Research-Central, page 17, and Mr. Roberts said the detail is listed on page 182 of the budget workbook.

Comm. Fish
Research-
Northern

Page 18, Comm. Fish Research-Northern is detailed on page 121 and 131 of the budget workbook. Senator Palmer asked if there was any significant change in federal funding for this program, and Mr. Roberts replied it has not changed significantly since 1967.

Comm. Fish
Research-
Westward

Comm. Fish Research-Westward, page 19, shows a decrease in the maintenance level under personal services, and a further decrease in the 1973 request. In answer to Senator Palmer's question on this program, Mr. Huizer said he believed this was due to transfer of personnel into the new division. Mr. Roberts added this was explained on page 122 of the budget workbook.

Discussion on salaries followed and Mr. Roberts said an approximate 6% salary increase was budgeted and a 3% decrease in vacancy and turn-over.

Comm. Fish
Research-
Hq.

Senator Palmer asked about Comm. Fish Research-Hq., page 20, and Senator Butrovich said the explanation was on page 181-183 of the budget workbook.

Senator Poland asked about research on tanner and shrimp and wondered if that has been maintained or cut. Mr. Noerenberg replied the department is trying to increase research on shrimp and there will possibly be some adjustment on tanner. The shrimp program is under-funded, he added, but the tanner or dungeness may be reduced. Senator Poland requested further information on these programs from the department.

Comm. Fish
Mgmt.-Cent.

Comm. Fish Mgmt.-Central, page 22, lists a decrease in personal services which Senator Palmer questioned. Senator Butrovich noted this was explained on page 165 of the budget workbook. Senator Palmer asked what was being decreased and why, and Mr. Roberts said a reduction in overtime was the cause, as explained on page 134 of the budget workbook. Discussion continued as to the impact of the decrease on the program, and Senator Palmer requested further information from the department for the committee.

Comm. Fish
Admin. &
Support

Senator Butrovich questioned travel under Comm. Fish Admin. & Support, page 25, and asked why it was 11.7 when only two people would travel. Mr. Huizer said the Fishery Biologist III travels, in addition to the Director and the Deputy Director. Senator Butrovich asked how the salaries were figured on page 168 of the budget workbook, to which Mr. Roberts replied there is a 3% vacancy and turn-over factor carried throughout the division which the department did not have in 1972. Three positions are actually budgeted at a lesser salary, since budgeting is now done at step C instead of step D, per instructions from Budget & Management.

Fish
Hatcheries

Hatcheries lists positions and equipment for Fire Lake and Senator Palmer asked if the department was pretty firm for production at this location. Mr. Noerenberg replied the completion date is still uncertain but there will probably be eggs in the hatchery in October. Discussion continued between Senator Palmer and Mr. Noerenberg on incubation time, feeding, etc. Senator Palmer noted fuel and fish food for Crystal Lake were listed as one item for a total figure of \$58,300 and requested a breakdown of these items.

Two Fish and Game Technicians have been requested for Fire Lake and Senator Palmer noted the \$4,400 change in personal services would not cover their salaries. Mr. Roberts said the positions are authorized for 1973, but no facilities are available at this time and they are possibly budgeted for only part of the year.

Fish Hatcheries Summary, page 26, lists a decrease in the equipment request and, in answer to a question from Senator Palmer, Mr. Roberts said transplant tanks will be mounted on a trailer, which will be leased, instead of buying new transplant tanks.

Senator Butrovich asked when Crystal Lake will be completed and Mr. Noerenberg replied this October, with rearing salmon scheduled for the spring of '73. Mr. Andrews said it was the impression at Budget & Management that \$30,000 was needed for Crystal Lake and Mr. Noerenberg said they had X number of dollars left of the bond issue money. There was somewhere in the neighborhood of \$2.1 million left after all three phases at Fire Lake, bids started at \$2.5 million and went up to \$2.65 million. The final solution by the Governor was to make minor changes; buy cheaper pipe, eliminate the third emergency water intake, etc. More favorable bids were received with these changes and then there was \$100,000 of the money left. Senator Palmer questioned capacity and Mr. Noerenberg said the hatchery was not changed considerably; however, the rearing capacity section was reduced. This will result in releasing the fish at an earlier date, but Mr. Noerenberg stated he did not know the actual size at date of release.

Comm. Fish
Resources

Senator Palmer questioned the Comm Fish Resources, page 104 of the budget workbook, and asked the results of the program outlined in this section. Mr. Noerenberg replied back-up information is

required on where the fish are and where they are being caught. The streams to which fish are going is determined in some areas such as Chignik, but, in Icy Strait this is impossible to determine. The program is still a long way from completion, and the greatest voids in the program are in Cook Inlet and AYK. Proper escapement should be defined, continued Mr. Noerenberg, to assure the right amount to each spawning ground. The effectiveness of the program could be measured very quickly if the proper number of fish reach the spawning ground, since this is the number one objective, according to Mr. Noerenberg. He continued describing the program.

Senator Poland asked if the department is sufficiently staffed to keep all programs going on and Mr. Noerenberg replied that quite a bit of shifting is necessary. Thousands of items need to be researched, and all things are not being done completely.

Senator Butrovich questioned what is being done at Kitoi Bay and Mr. Noerenberg replied this is tied in with a research effort to determine if lakes could be used for rearing. Mr. Noerenberg described the history of the research done in this area and said Kitoi will be used less and less, with more work being done in Fraser and Agalaturek Lakes.

Discussion continued on the program and Senator Palmer questioned the bid specifications for a salt-water rearing pen. Mr. Noerenberg said he would provide a report on this for the committee.

RED

Senator Palmer referred to page 378 of the budget workbook, Rehabilitation Enhancement & Development, and questioned the funds for heavy duty equipment of \$30,500. He noted this was difficult to justify, and said it is difficult to understand that the department would get better quality by owning equipment rather than contracting it out. Senator Palmer requested more detailed information on this subject from the department.

Comm. Fish Resources

Page 183 of the budget workbook, Comm. Fish Resources, was questioned and Mr. Huizer said he will talk to the staff in this department and send further information to the committee.

Senator Palmer noted that last year there was a discussion about a surplus vessel to be bought and equipped for research work. He asked what was being done with the M.V. Resolution. Mr. Noerenberg replied this vessel was used in Bristol Bay during the heavy salmon fishing period, and they felt the time spent there, in view of the importance, was greater in priority than anything else. Senator Palmer asked if this was any more effective than bar tenders and Mr. Noerenberg said yes. Mr. Roberts added that 124 cases were found using the Resolution during the period from 7/2 to 7/15 and, in something under two weeks, the department brought in about \$20,000 in fines to the state treasury.

Senator Palmer asked if the department plans to put more buoys here, so not so many people would go over the line. Mr. Noerenberg replied they were going on with the same number as previously. Senator Palmer asked the cost, and Mr. Noerenberg said he did not know the cost but would provide this figure for the committee.

Senator Butrovich asked if there would be any lapse in funds in 1972 and Mr. Noerenberg said no, and the department was having a terrible time paying all the bills. They have found the same old pattern of things being more expensive than estimated, and Mr. Noerenberg's understanding was that little or nothing would be lapsed. Senator Butrovich said he was thinking mainly of commodities and Mr. Noerenberg replied three divisions have this money and he could get a figure on any possible lapses. Mr. Andrews noted orders were placed in advance, so the high level of expenditures in 1972 would reflect a higher level of activity the next year.

Senator Palmer said he understood the department had a more effective lake toxicant that can be used and Mr. Noerenberg said he would find out and send the information to the committee.

Clam &
White Fish

Senator Palmer referred to page 346 in the budget workbook and noted the clam and white fish programs were now under RED. He asked for some information. Mr. Huizer said the clam program is based in Cordova, and of some \$300,000 in additional research money, \$50,000 was devoted to clam research. They are working with Health & Social Services and shellfish people in Washington to get acceptance and clearance for razor clam resources. Three beaches have now been certified for commercial razor clam harvesting. It is extremely difficult to monitor the program so that clams from non-certified beaches do not get in with a good pack; however, Mr. Huizer said they have developed a good program which is being reviewed in Washington and the department hopes to get approval soon. More information was requested by the committee on this project.

The white fish program was discussed, and Mr. Huizer said last year there was a position at Bethel funded for this program. More than just research is being done, Mr. Huizer added, as information is needed on marketing, transportation, etc.

RED,
Development-
Economic

RED, Development-Economic, page 58, was questioned by Senator Butrovich and Mr. Barker said the explanation was on page 400 in the budget workbook for personal services. Senator Butrovich questioned the breakdown on contractual services, commodities, and equipment, and requested the department to send this information to the committee.

Admin. &
Support

Senator Butrovich requested a breakdown of figures on page 60, RED, Admin. & Support, for the committee.

Anadromous
Fish

Page 56, RED, Anadromous Fish, was referred to by Senator Butrovich and the personal services figure of 307.9 was questioned. He asked if this was for a full 12 months and if these positions will actually be filled. Mr. Noerenberg said they have a considerable problem filling engineering positions, but the budget was made on the theory that the positions would be filled by July 1. Technicians are not a problem, and Alaskans with experience can fill these positions. Senator Palmer asked if the positions could be filled on a contractual basis rather than full-time throughout the division and Mr. Noerenberg replied there is a tremendous inventory to a small engineering staff. To fill positions contractually on small projects would be cumbersome. Three new engineers are requested.

Vessel &
Aircraft

Senator Butrovich questioned the transfer of a boat from Kodiak on page 66, Vessel & Aircraft. Mr. Roberts said this boat was transferred to Southeast Alaska last summer and they are operating with a smaller crew.

Cons. Fish
& Game

Page 377 of the budget workbook, Cons. Fish & Game, Russian River Fishway, was questioned by Senator Palmer. In going through all calculations, the cost/ratio figure of 1.4 could not be justified. Mr. Andrews said this was \$1.40 for each dollar spent. Senator Palmer noted the assumption of 12,000 sockeye would reach the falls and believed this was an inaccurate assumption. Mr. Noerenberg said they just used an arbitrary figure, as he didn't believe the actual number of fish was important. Senator Palmer said to justify the expenditure it was necessary to start from an accurate original assumption, and asked Mr. Noerenberg to correct the figure for the committee.

Page 381 in the budget workbook assumed a 50% harvest and Senator Palmer said the normal harvest would assume 2/3. Mr. Noerenberg said they took a conservative approach.

Commissions

Senator Palmer referred to page 69, IFC, and asked if a report could be submitted on the effectiveness of commissions. Mr. Noerenberg noted this was under the Governor's Office.

Protection
Summary

Protection Summary, page 45, was questioned by Senator Palmer. The personal services figure was reduced in 1973 by \$6,000 under 1972, and Mr. Noerenberg said the adjustment was due to overtime and temporary employees. Discussion continued on the department's policy on overtime.

Senator Butrovich noted positions are broken down by section on page 317 of the budget workbook, and requested a similar listing for 1971 to compare with 1972.

Mr. Andrews said he had prepared an analysis comparing positions listed in 1971 and 1972 and would provide a copy for the committee.

Bounties

Senator Palmer asked what bounty programs are left, and Mr. Hilliker said there are bounties on hair seals and wolves in some areas. Discussion followed on bounties.

Protection

Senator Palmer questioned the department's opinion of shifting Protection into Public Safety. Mr. Noerenberg said he is working on a report for the Governor now, and would provide the committee with the information requested.

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

SENATE FINANCE COMMITTEE

April 11, 1972

8:05 a.m.

Present: All members with the exception of Senator Ray. Joe LaRocca and one other member of the press.

Univ. of Alaska Senator Butrovich called the meeting to order to discuss the University of Alaska budget request and Senator Lewis moved and asked unanimous consent to go into executive session. No objection, so ordered, and the press left the meeting.

Senator Lewis stated the University of Alaska budget request has been reduced to some extent, predicated on the fact that the population has increased 39% while the budget has increased 934.5% since 1959. Debts sold and authorized total \$657 million, and Senator Lewis said this deficit financing must stop.

The major reductions in the budget reflect a decrease in merit and longevity salary increases from 5.5% to 3.75%, comparable to state employees, which also results in a reduction in benefits. Outside travel has been limited and there has been a reduction in in-state travel. No new full-time positions have been allowed, but some part-time positions have been funded.

Senator Koslosky asked if this meant that some of the new buildings would not be staffed and Senator Lewis said this would be the case, according to the testimony of the University personnel. However, Senator Lewis added he did not believe the capability of the University to educate has been reduced beyond what the Governor recommended.

Only building improvements at Fairbanks have been allowed under capital projects, and no new buildings funded, for a reduction of \$10 million from the Governor's recommendation. Senator Lewis explained the reason for this is that if buildings can't be staffed, there is no reason to build them.

Classified staff has been budgeted at Step C, giving the University an excess of about \$150,000, and putting the schedule on the same level as state employees. Faculty travel had been funded at \$300 per year, negotiated by the University without any legislative concurrence, and this has been reduced.

Senator Lewis then reviewed the short-form budget which included the sub-committee's recommendations. (See file.)

In conclusion, Senator Lewis said the sub-committee had tried to maintain the Governor's budget and cut out fat. The excess of \$150,000 caused by budgeting staff at Step C could be used for heat and light for new buildings. Under commodities, Institutional Support, 75% heat and 25% electricity has been allowed. Following

a formula used by the University of Washington, janitorial support should be sufficient.

Washington was used as an example for instructor/student ratio also, as they recommend 20 to 1 for undergraduate studies and 6 to 1 for graduate courses. The University of Alaska's standard is 15 to 1 for undergraduates and 5 to 1 for graduate students. Mr. Guthrie noted that Washington only funds 75%, and in reality are operating on a 25 to 1 and 8 to 1 faculty/student ratio. Senator Lewis stated this was pointed out to University of Alaska personnel.

A salary study prepared by the University claims their staff is underpaid; whereas a study prepared by the Division of Personnel claims they are adequately paid. Mr. Guthrie said the Division of Personnel compared salaries nationally and added a cost-of-living differential, and he believes the University study compared state salaries and also added a cost-of-living differential. These studies are available for committee review.

Senator Groh questioned tuition remission and the question of tuition in general came up. Mr. Guthrie said a proposed increase in tuition would add \$500,000 to the University's funds and the University's projections for student fees include this figure. However, they could possibly raise fees after the session adjourns, and legislative intent could reflect what fees should be. Senator Groh repeated his question on tuition remission and asked Mr. Guthrie for further information on this item.

The committee returned to the staffing of buildings, and Senator Lewis said the University claimed the facilities could not be opened even before the cuts were made. Senator Lewis added the University claims reductions would reduce overhead recovery, but he compared this to buying two or three items just because they are on sale -- the items still cost money. In Organizational Research, the state funds \$2-1/3 million and the federal funds \$1.5 million, and the state would be money ahead by reducing the program.

Senator Poland said an argument with the Marine Institute is that they refuse to study marine resources, an important subject to the state. Senator Lewis noted the new Marine Sciences building is scheduled to open in Anchorage and will employ 300 people, largely supported by federal funds. However, the state supplies the building, maintenance, janitorial service, etc., for about \$1.5 million per year, so it is a mixed blessing.

Senator Butrovich asked for a recess of the meeting, to resume after adjournment of the Senate session, and scheduled another meeting for 1:30 p.m.

AFTER RECESS
1:30 p.m.

Present: All members with the exception of Senator Lewis. John Andrews, Fiscal Analyst, Budget & Management.

Social
Services

Senator Butrovich called the meeting to order and Senator Ray moved and asked unanimous consent to go into executive session for a discussion of the Social Services budget. Senator Poland seconded the motion. No objection, so ordered.

The short-form budget report was referred to and Senator Ray moved and asked unanimous consent that, if there was no objection to the figures as presented by the sub-committee, the figures will be considered acceptable to the committee as a whole. No objection, so ordered.

Senator Palmer moved and asked unanimous consent that the individual Element figures of each BRU be presented to the committee for acceptance, and that the summary pages be ignored. No objection, so ordered.

Senator Ray reviewed the short-form budget document and presented the sub-committee's recommended figures to the committee. All figures were accepted as presented.

The committee discussed the fact that the departments return year after year with requests for supplemental appropriations, and Senator Ray suggested the departments should tailor their programs to the money allocated. Senator Butrovich moved and asked unanimous consent to specifically instruct the departments by legislative intent to stay within the money appropriated except by Executive Order. No objection, so ordered.

Adjourned: The meeting adjourned at 2:55 p.m.

SENATE FINANCE COMMITTEE

April 12, 1972

8:00 a.m.

All members; John Andrews, Division of Budget and Management.

Natural
Resources
Manage-
ment and
Environ-
mental
Conser-
vation

Senator Butrovich called the meeting to order and presented the committee with the Program Category Natural Resources Management and Environmental Conservation. He said that under that category the committee would start with the Department of Fish and Game. Senator Lewis moved and asked unanimous consent that the committee go into executive session. No objection, so moved.

The committee decided to act on the figures as they went and Senator Butrovich added that all figures would be closed and final unless there were objections. As the sub-committee, Senators Butrovich, Palmer and Poland would present the figures.

Senator Butrovich stated that the total figure taken out of the Fish and Game budget was \$150,000 and that the staff would provide a breakout on the deletions to the committee.

Senator Ray objected to the \$40,000 under Commercial Fish, Cook Inlet Water-shed.

In the Capital Budget under FRED, Senator Palmer wants to have the equipment for \$5,000 to move 20 yards of gravel to be closely monitored.

Under FRED (Fisheries Rehabilitation Enhancement and Development) Senator Ray objected to monies allocated for the Katchamak Bay hatcheries as he felt that most of the salmon would go southward through the ocean and would not come into inside waters of South-East Alaska and therefore would benefit only the high-seas fishermen. Senator Palmer said the fish would be put into the streams.

Under FRED, Economic Development, objection was made to the allocation of monies for cleaning clam beaches near Cordova.

Under Administration and Support, Office of the Commissioner, Senator Palmer is to explain why he is taking out one Deputy Commissioner and his supporting staff.

Under Administration and Support, Vessel and Aircraft, Senator Ray objected to overtime (\$109,000) allowed for vessel crews. Senator Butrovich asked the committee if it would like to move to cut the figure in half; they decided "no."

The committee then took up the Department of Natural Resources.

Under Mineral Resources, Geophysical Program, Senator Groh questioned the state duplicating the search for oil since it has

already been done by so many organizations and companies. Senator Butrovich pointed out that as a multi-year program, it should be given a chance. Senator Groh, as a sub-committee member on the Resources Committee will do research on this item.

Regarding Mineral Resources, Hard Minerals Geo. Investigation, Senator Palmer said he would furnish letters for the free conference committees if there were any questions.

Under Mineral Resources, Hard Minerals, Mineral Analysis and Research, Senator Butrovich wants to make sure that the \$8,000 is spent to purchase a Microphotometer.

The committee then took up the Department of Environmental Conservation.

Senator Palmer asked the staff to make a note that the committee allowed four new positions for which the governor asked.

Senator Lewis asked the staff to find out if the Pesticide Engineer on Quality Control - Pesticide, would in any way conflict with the one in the Department of Military Affairs.

Under Land Use and Urban Development, Senator Groh moved that it be completely deleted. Senators Koslosky, Groh, Lewis and Butrovich were for the motion; Senators Ray and Palmer were opposed.

Under Permafrost and Soils Engineering, Senator Groh moved that it be completely deleted as too many people are already studying permafrost. Senator Butrovich pointed out that permafrost had a lot to do with the pipeline not being put in and urged the committee to leave the permafrost study in the budget. Senator Groh withdrew his motion.

Under Administration and Support, Regions - Prince William Sound, the sub-committee strongly disagreed. Senator Ray moved that the committee accept the governor's figures. Those for the motion were Senators Butrovich, Ray, Groh and Lewis; those opposed were Senators Palmer, Koslosky and Poland.

Senator Ray asked to be excused at 10:30 a.m.

Recessed: The meeting recessed at 10:40 and scheduled another meeting for 1:30 p.m.

SENATE FINANCE COMMITTEE
AFTER RECESS
1:45 p.m.

Present: All members except Senator Groh, who came in at 2:00 p.m;
John Andrews, Budget and Management.

Natural Resources Management and Environmental Conservation Senator Butrovich called the meeting to order and announced that the committee would continue to be in executive session and that they would continue with the Program Category Natural Resources Management and Environmental Conservation.

A question arose on the \$15,000 allocated to the Athletic Commission in the Office of the Governor for travel expenses for Arctic Games participants. John Andrews, Budget and Management, stated that the Athletic Commission has no statutory authority to make the \$15,000 grants. Senator Ray said that he had talked to Barrett, the manager of the Arctic Games and he said they did not need the \$15,000 any more and that he had made arrangements for the participants to come to Whitehorse this year. The committee moved and voted to take out the \$15,000.

Senator Palmer was asked to explain why he wished to take out the Deputy Commissioner and supporting personnel in the Department of Fish and Game. He stated that in a past administration an extra Deputy Commissioner had been put in as an administrator and even though the position was no longer needed it had never been deleted. Then Senator Palmer made a motion to delete a Deputy Commissioner and supporting personnel. In favor of the motion were Senators Ray, Palmer, Groh, Lewis and Butrovich.

Senator Ray asked to be excused from the meeting at 2:10 p.m.

Senator Butrovich asked if the Natural Resources Management and Environmental Conservation Program Category was now settled and agreed upon. Staff pointed out that there were still questions on the Capital Budget. The Division of Protection is still in limbo and may go to the Department of Public Safety. The Division of Game will have revisions made by the Division of Budget and Management and the Division of Game. Staff will provide a breakdown of the sub-units of the Division of Game.

Adjourned: The meeting adjourned at 2:20 p.m.

SENATE FINANCE COMMITTEE

April 13, 1972

8:10 a.m.

Present: All members. Frank A. Seymour, Executive Director, Alaska Visitors Association; Rick Barrier, Fiscal Analyst, Budget & Management.

Senator Butrovich called the meeting to order.

Alaska
Travel
Division

Mr. Seymour was present to testify on the budget request for the Alaska State Travel Division. He stated they have not been advised as to the Governor's recommendation for this budget, and he believed the travel industry would suffer if the budget was not adequately funded.

Mr. Seymour continued by saying material was distributed in the last two or three months to representatives covering statistics of the travel industry. Money was appropriated last year for a systematic data gathering process of visitors throughout the state. The results showed the average party consists of 2.6 people, in their mid-50's, professionals and semi-skilled, the average stay is for 13 days, and the average amount spent in Alaska is \$360 per person. This year a growth of about 10% is anticipated. Number of tourists was 71,000 in Juneau, 65,970 in Fairbanks, and 73,000 in Anchorage.

The budget last year was for \$950,300 to the Travel Division. The accomplishments from this money ranged from new brochures, new maps, new posters, approximately \$50,000 in cash purchase of advertising, to a program to attract Japanese tourists.

Mr. Seymour said the Japanese market development program should continue at least one more year. Last year there were less than 2,000 Japanese tourists, and reservations for 1972 estimate over 5,000 visitors.

Last year contractual services received \$538,800; maintenance level for next year is \$565,000. Two minor increases have been requested in that account - \$30,000 for the financing of an All-Alaska Show, and \$30,000 for native crafts. Mr. Seymour said they are recommending \$605,000 for basic maintenance in contractual services, and a total budget request of \$1,150,000.

Senator Palmer asked what benefits were derived by the state from tourism, to which Mr. Seymour replied approximately \$2,386,565. A report was distributed to the committee breaking down this figure (see department file).

Mr. Seymour continued by saying he believed the Governor recommended a reduction in the Travel Division budget, while other agencies

were permitted to increase 4.5%. If an aggressive program was presented, Mr. Seymour believes the growth rate in tourism can be doubled.

Senator Palmer questioned the Japanese market. Mr. Seymour said during 1971 foreign market development was studied and the Japanese market seemed the most likely. The industry and state received a USTS matching travel grant of \$9,000. The first phase brought two groups to Alaska, the second phase took 40 people to Tokyo and Osaka. Now major tour operators in Japan are promoting Alaska. Senator Ray was included on the trip to Japan last year and verified Mr. Seymour's statement that it was worthwhile.

Senator Koslosky noted the problem with the budget was whether or not Community Affairs would be included in the Department of Economic Development as originally proposed. In conversations with Commissioner Ryan, nothing definite has been decided.

Mr. Seymour expressed his appreciation for the opportunity to meet with the committee, and asked if he could return to discuss the tourism revolving fund. Senator Butrovich said the committee would advise him of this at a later date.

The meeting recessed at 8:40 a.m.

AFTER RECESS
8:40 a.m.

Present: All members. Rick Barrier, Fiscal Analyst, Budget & Management.

Adminis-
tration of
Justice

Senator Butrovich called the meeting to order. Senator Ray moved and asked unanimous consent to go into executive session for review of the budget request for the Administration of Justice. Senator Poland seconded the motion. No objection, so ordered.

Senator Ray referred to the short-form budget document and listed the figures recommended by the sub-committee. The committee objected to the following items:

Court System, Supreme Court - Senator Groh moved and asked unanimous consent to delete the position of Administrative Director, Juneau, as this was absolutely unjustifiable. No objection, so ordered.

Court System, 1st Judicial District - Senator Groh moved and asked unanimous consent to delete the position of Clerk at Ketchikan and Magistrates at Angoon and Pelican. The committee discussed these deletions, and Senator Butrovich explained that some magistrates have been allowed throughout the budget; however, overall he believed more had been deleted than added. Senator Ray objected to the motion, and the committee voted to retain the positions.

Court System, 3rd Judicial District - Senator Lewis moved and asked unanimous consent to delete the eight positions allowed in this element. There was an objection from Senator Butrovich and the positions were retained.

Legal Library - Senator Palmer moved and asked unanimous consent to specify \$10,000 be used to establish a law library in the Kenai Court. No objection, so ordered.

Prosecution, 3rd Judicial District - Senator Lewis moved and asked unanimous consent to restore the Investigator position in Anchorage. Senator Ray objected. The committee voted four to three to restore the position.

Court System, 1st Judicial District - Senator Groh moved to delete the magistrate at Pelican. The committee voted four to three to delete the position.

Senator Groh moved and asked unanimous consent to approve the Administration of Justice budget as recommended by the sub-committee, with the above changes. No objection, so ordered.

Recess: The meeting recessed at 10:50 a.m., with another meeting called for 3:00 p.m.

SENATE FINANCE COMMITTEE

April 13, 1972

3:30 p.m.

Present: All members except Senator Groh; Rick Berrier, Budget and Management.

Health

Senator Butrovich called the meeting to order and brought out the Program Category Health, Department of Health and Social Services. The Sub-Committee was comprised of Senators Lewis, Koslosky and Butrovich. Senator Poland moved that the committee go into executive session. No objection, so moved.

Under Public Health, Maternal and Child Care, the committee cut travel to 3.2, making the total 80.3.

Under Public Health, Regional Laboratories, the question of the 48.3 allowed for contractual services came up. Senator Ray noted that it was quite low as compared to the request. Senator Butrovich said that they couldn't find any more than that in the red book, so that's all the sub-committee allowed. Senator Ray asked the staff to bring the totals forward to the summaries so he can see how much was given.

Senator Ray asked to go back to Mental Health. He said the red book figures were wrong and that he had them broken down in the black book. He said that if the figures were wrong in personal services, the state would lose a lot of money; he said personal services could be cut at least \$100,000. Senators Butrovich and Ray asked the staff to go through these figures as to their validity.

Under Alcoholism, Administration and Consultation, Senator Butrovich said that since they had passed the Alcoholism bill, they should take the governor's figures. Senator Lewis moved that the sub-committee's figures (nearly the same as the Governor's) be accepted at \$162,000. Those for the motion were Senators Koslosky, Lewis, Butrovich and Palmer. Those against the motion were Senators Ray and Poland.

Under the Drug Abuse programs, Senator Lewis stated that he was against the allocation entirely. He said that after researching the situation carefully, he had come to the conclusion that these drug education programs were hindering rather than helping. Senator Palmer moved for adoption of the drug program. Those for the motion were Palmer, Koslosky, Poland, Ray and Butrovich.

Senator Ray moved for the adoption of the Health and Social Services budget except for a possible change in Personal Services in Mental Health. The budget was adopted on that basis.

Adjourned: The meeting adjourned at 5:00 p.m.

SENATE FINANCE COMMITTEE

April 14, 1972

10:00 a.m.

Present: All members. George W. Easley, Commissioner; Herbert J. Lockert, Director, Division of Marine Transportation; Burt Esmond, Deputy Director, Marine Transportation; Tracy D. Kaldor, Administrative Director; Don Statter, Director, Division of Water & Harbors; Department of Public Works; Ron Lind, Budget Analyst, Budget & Management.

Senator Butrovich called the meeting to order.

Division
of Marine
Transporta-
tion

Senator Ray referred to the Division of Marine Transportation budget request and questioned the increase in personal services under Southeast Vessel Operations. Mr. Esmond replied this was primarily in the area of wage increases, since new contract negotiations will begin shortly for contracts effective July 1. An approximate 6% wage increase is anticipated. Senator Ray noted the cost of vessels is increasing at an alarming rate, and vessels are too expensive to operate. Commissioner Easley agreed, and said the contracts signed in 1970 provided very generous wage benefits. There is nothing that can be done since it is an agreement with the unions. He did state, however, that if a full 6% is granted in wages, the department expects to cut back considerably in benefits, and the unions have been advised accordingly. The new contract would become effective July 1 for a three-year period.

Senator Butrovich asked if the maintenance figure or the Governor's recommended figure included the 6% increase, to which Mr. Esmond replied the Governor's figure is acceptable to the department since the two new 235' vessels will not be ready for this year. The original figure included 6 months operating time for the new vessels.

Contractual Services shows an increase of approximately \$140,000. Mr. Esmond said again the same parallel exists between their figure and the Governor's recommended figure as the new terminals will be deleted due to the fact the two new larger boats will not be ready. The increase is predicated upon past experience of basic shipyard repairs and maintenance.

Mr. Esmond continued by explaining commodities have increased due to the increase in the cost of fuel oil. It is up 37%, from \$3.70/barrel to around \$5.00/barrel. Diesel fuel went up substantially also. Senator Ray suggested buying fuel from Canada, to which Mr. Esmond replied a contract was established in 1963 to buy from Standard Oil. The contract provides for the fact that refinery prices must increase before an increase can be submitted to the Division of Marine Transportation.

Senator Lewis questioned crew changes away from home port. Mr. Lockert replied two crews must be used if a breakdown occurs and the ship is held up for a few days. Two home ports are now listed: Juneau and Ketchikan. Commissioner Easley noted, however, that crew changes are occurring throughout the system, depending on where the employee lives, but the department wants to return to the original concept of using only Juneau and Ketchikan as home ports.

HB 505 was mentioned, covering unfunded operating costs for the Division of Marine Transportation and requesting \$900,000. Mr. Easley said this was for increases in costs that were not budgeted, largely oil. Senator Butrovich requested a copy of the fiscal note.

In answer to a question from Senator Groh, Senator Ray said new employees can be requested by the unions or a regulatory agency such as the Coast Guard.

SE Shore Facilities - Senator Ray questioned the increase in personal services of \$27,300, contrasting to the \$16,700 figure in the narrative. Mr. Esmond said the crews must of necessity work a substantial amount of overtime. Additional personnel has been requested to man the Auke Bay terminal, and the man currently on duty is responsible for both the Juneau and Auke Bay terminals. Now that the 235' vessels have been deleted, a request for a terminal operator has also been deleted, and a terminal assistant requested instead. The reduction in overtime in the Juneau terminal would equal the salary of one assistant. There are many other terminals in Southeast, however, and overtime at other terminals accounts for the increase.

Senator Ray noted the increase in travel, to which Mr. Esmond stated this figure is predicated on actual experience.

Senator Ray then questioned contractual services. Commissioner Easley replied the contracts were negotiated after the budget was submitted last year and this merely reflects new contract rates currently in existence.

SW Vessel Operations - A request for increased wage benefits and overtime of \$134,000 was questioned by Senator Ray. The explanation was an additional 4% for overtime and 3% for penalty.

Contractual Services reflects an increase of \$36,000, which Mr. Esmond believes is largely due to an increase in vessel insurance. Commissioner Easley added the department would like to change the arrangement, since the broker is now receiving 10% and the department feels it should be 3-1/2%. Senator Butrovich asked if they were not able to effect any experience credits, to which Mr. Easley replied actual marine experience has been excellent except for the Taku, which had an adverse effect for a couple of years. All

insurance is carried by Lloyd's of London, through brokerage firms in Alaska. Senator Butrovich noted the only way to save money would be to negotiate lower brokerage fees, and it is difficult to place marine insurance.

SW Shore Facilities - Senator Ray asked if ticket sellers are paid out of revenue, to which Mr. Easley replied some are on contractual arrangements and others are employees. A number of travel agencies sell tickets as well, and the service varies from port to port. Senator Poland said the ticket agent in Kodiak does not get any money if the travel agencies contract for tickets. Mr. Esmond said this man was advised to put an advertisement in the paper stating he was the authorized ticket agent, and the situation in Kodiak has improved. He added the Division of Marine Transportation can not prevent travel agencies from selling tickets.

Senator Ray questioned the half-ton pick-up requested, and Mr. Esmond explained this was for the Seward warehouse and not for use on board a vessel.

Marine Transportation - Advertising - shows a nominal increase. In answer to Senator Lewis' question, Mr. Easley said the division is a member of the Alaska Visitors Association and has put ads in their brochures. They also do some of their own advertising, promotion and PR work.

Marine Transportation - Administration - the \$10,000 increase was questioned. Mr. Esmond replied two new positions are still included out of eight originally requested, a stock handler and a reservations specialist. Mr. Easley added the division intends to establish reservations on a computer system, and an evaluation on this method is now being done. Senator Ray questioned the travel request and Mr. Esmond said this figure is predicated on actual experience of the previous year.

Senator Groh asked for revenue projections from the department, and Mr. Easley said there was a 6% increase in March over last year. He added the real crux of the problem will appear in the winter, when the boats are put up for six to eight weeks and the crew is still paid.

Water & Harbors - Mr. Easley said the villages listed for improvements have been advised of such projects and anticipate them. A cut-back is very difficult to work with, and Mr. Easley recommended an additional appropriation to adjust to the original figure, rather than tying projects directly to the revenue expected from the fuel tax. \$1,400,000 was originally anticipated for budget purposes, which has now been reduced to \$1,100,000.

Senator Poland questioned a project mentioned for Sitka. Mr. Statter explained the Corps. of Engineers has a project of

under-water excavation to enhance Sitka for the ferry system. The federal contract calls for removal of the rock and the contractor intended to dump it into deep water. A suggestion was made that perhaps this rock could be used in Sitka for a breakwater, and the contractor said he would sell it for the cost of hauling the rock and a nominal profit to cover his overhead. Considerable damage was done to the breakwater this past winter, and 55,000 yards of rock would create a protective boat basin for a cost of \$250-300,000. The new Sitka harbor, Crescent, is filled to capacity, and the reconstruction would be at Thompson Harbor. The committee discussed this situation, and Senator Ray asked if the rock couldn't be dumped in shallow water and reclaimed at a later time. Mr. Easley suggested it could be used for an airport extension project, and would discuss the matter with the Division of Aviation. Mr. Statter added two different agencies are working on this proposed project, and it would be difficult to coordinate or change the contracts, but the department would attempt to save the rock if possible.

The allocation of funds to various harbors was questioned, and Mr. Easley said projects listed are what the department considers the absolute minimum. Senator Palmer distributed a report to the committee pertaining to the small boat harbor at Ninilchik, and stressed the need for improvements at this harbor. Senator Palmer moved and asked unanimous consent for \$40,000 for a study to solve the problems at this harbor and Senator Ray objected. Senator Ray moved to reestablish the agency request of \$1,520,000 and include a study for Ninilchik and one for Seward, \$20,000 each. The committee approved the motion, five to two, with Senators Lewis and Groh opposed.

Mr. Statter explained the division did not have a base year to judge fuel tax receipts, and it may generate \$1,100,000 or \$1,500,000. If the appropriation is geared to the fuel tax, the division can not spend a penny over receipts. The committee discussed this problem, and Mr. Statter recommended the appropriation act specify money can be received from the general fund, as well as from fuel tax receipts.

Recess:

The committee recessed until 1:30 p.m.

SENATE FINANCE COMMITTEE
AFTER RECESS
April 14, 1972
1:30 p.m.

Present: All members; Ron Lind, Division of Budget and Management; George Easley, Commissioner of Department of Public Works; Bob Rowan, Administrative Officer, Division of Aviation; Ed Granger, Acting Director, Division of Aviation and Jim Amos, District Supervisor, Division of Aviation.

Transportation Senator Butrovich called the meeting to order and announced that the committee would hear the representatives present from the Department of Public Works who would speak on the Division of Aviation.

Concerning field maintenance personnel and mechanics at the Anchorage International Airport, Senator Butrovich asked Commissioner Easley asked if they couldn't take out all their contractual workers. Commissioner Easley answered that they were trying to work at doing just that as they felt they could do their own maintenance at less cost. He said they would like to get out of the present system entirely and operate their own equipment.

Depreciation schedules for the airport runways were discussed and Commissioner Easley pointed out that all of the depreciation schedules by the highway department are based on highway use, and that airport depreciation schedules are a separate entity and cover a much longer period of time and are damaged considerably less. Easley said that there are some mechanics out there who can assume the entire maintenance load but that by statutes, the Department of Highways, which is on contract to do maintenance work, must maintain their own equipment pool.

The difference between field and maintenance was discussed and then the committee moved on to Commodities. Senator Groh asked about the 800 tons of Urea for \$132,000 and it was explained that the Urea is used to combat icy conditions; it has worked well and is a local product. Senator Ray noted that it was strange that the equipment request was so low and Ed Granger answered that in 1972 they had had need for a lot of equipment, fire fighting, etc., but that they had most of what they needed now

Under Anchorage International Airport, Security, Commissioner Easley explained that the personnel here are almost exclusively Security Guards to comply with the new FAA requirements. He added that this was the best estimate according to a cost estimate from FAA and that there is increased security and identification of all persons on ramps.

Classifications of personnel and step increases were discussed. It was pointed out by Commissioner Easley that the personnel office made all decisions concerning these matters.

Under Anchorage International Airport, Administration, the figure for insurance was questioned and Commissioner Easley answered that since the Alaska Airlines crash the insurance had gone up from \$30 million to \$100 million. He said that at a meeting with the Department of Administration and the insurance carriers he found that this figure was by far lower than other airports down south.

Senator Groh asked why there was such a vast difference between Fairbanks International Airport, Custodial and Anchorage International Airport, Custodial. The figures were \$144,000 to \$677,300, respectively. Mr. Easley answered that of course the Anchorage Airport is much larger and has not been as successful in the custodial area as the Fairbanks Airport; apparently they had, for example, a very bad experience with their carpeting and maintenance.

Under Trunk and Secondary Airports, Southeastern Region, Senator Ray questioned Personal Services and was told that 8 new positions had been authorized by executive order.

Senator Palmer moved and asked unanimous consent that the committee add \$25,000 for paving the Kasilof Airport. He added that there is now equipment in the area for paving the Beach Road and that that same equipment could be used for the airport. The committee decided to wait on the motion and vote at a later date.

Senator Ray asked when the takeover date of the Juneau Airport would be and Commissioner Easley answered that they would like the cities to run their own airports but the state will provide the buildings.

From the Capital Budget Senator Butrovich asked about the resurfacing of the Petersburg airstrip. Commissioner Easley said that there is now about 3" of hard crushed rock, but the final covering is still needed.

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

CORRECTION

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

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

AFTER RECESS

4:15 p.m.

Present: All members. Bruce Campbell, Commissioner; Thomas A. Johnson, Administrative Director, Department of Highways. Ron Lind, Budget Analyst, Division of Budget & Management.

Dept. of Highways Senator Butrovich called the meeting to order to hear testimony on the budget request for the Department of Highways.

Maintenance, Central -- Senator Ray questioned the addition of six new positions. Mr. Campbell said only two new positions have been requested, and the balance is a change in boundaries. The positions have been taken from Nome and added to the Central district, creating a \$206,900 increase in personal services. Senator Ray noted the \$182,000 increase in equipment, and Mr. Campbell said page 141 of the budget workbook lists the new equipment.

Maintenance, Interior -- Increased personnel was questioned, to which Mr. Campbell replied this again was due to boundary changes. Ruby is now part of the Fairbanks District, and only one new position is requested, Clerk Typist II.

Maintenance, Southeastern -- One new position has been requested and there have been no transfers into this district.

Maintenance, Western -- One reduction in positions, Highway Maintenance Foreman III, and 17 transfers to the Central District.

Maintenance, Southcentral -- Two new positions requested, an AEO II at Cordova and a HEA III at district headquarters. The increase in commodities was due to inflation, according to Mr. Johnson. Senator Ray said the figure was too high for inflation alone, to which Mr. Johnson replied a 5.5% inflation factor was taken for the department as a whole, and the figure averages out for commodities throughout the other divisions.

Administration & Support, Central - Increased rent at the new Anchorage Highway complex accounted for \$184,000 under contractual services, and inflation contributed to the \$200,000 total increase.

Administration & Support, Southeastern -- An Accounting Clerk III has been requested. \$25,000 was requested for equipment purchases at the new building. Senator Ray questioned lumping this with the new telephone system, to which Mr. Johnson replied page 51 of the budget workbook explains the breakdown.

Administration & Support, HQ and Lab -- Two new positions have been requested and two existing positions deleted. An inflation factor of 5.5% was allowed.

The committee had no further questions on the budget request and the gentlemen from the Department of Highways were excused at 4:50 p.m.

Senator Ray moved the committee accept the Governor's recommendation for the budget request. Senator Palmer objected, and explained some additional projects. The committee accepted his recommendations for dust pallative on Beaver Loop and Forest Drive in Kenai, 2.5 miles of improvement on Lowell Point Road in Seward, and 1 mile improvement for Greer Road east of Homer, for a total increase of \$75,000. The committee voted to accept the Governor's recommendation, with the \$75,000 increase recommended by Senator Palmer.

Adjourned: The meeting adjourned at 5:00 p.m.

SENATE FINANCE COMMITTEE

April 15, 1972

9:15 a.m.

Present: All members. Myrt Charney, Director; Bob Jacobs, Budget Analyst, Division of Budget & Management.

Education Senator Butrovich called the meeting to order to close the budget request for the program category Education.

The committee discussed HB 544, recommending an increase in the instructional unit figure, and the impact passage of the bill would have on the budget. CSHB 544, now in House Finance, would have further impact on the budget, and Senator Palmer asked if the committee wanted to recommend funds contingent upon passage of this bill. He continued by stating the sub-committee figures do not include all new programs in CSHB 544, but merely reflect HB 544, excluding debt service, 5 and 10% busing increments, 874, and revenue sharing. Senator Ray noted pupil transportation last year was between \$5 and \$6 million, and the Governor added \$3 million this year and said the districts must pay their own transportation. Senator Palmer said even more unpopular was the fact the instructional unit was increased 15% to take care of these costs, yet some districts have no transportation at all. Discussion continued about transportation.

Senator Palmer reviewed the short-form budget report for the committee, starting on page 6 and leaving the foundation program, transportation, debt retirement, and revenue sharing programs until later in the meeting.

Under Boarding Home Program, Senator Ray moved to delete the positions requested, one in Anchorage and one in Bethel. No objection, so ordered.

Dormitory Program - Senator Ray moved to delete the third dormitory at Bethel. The committee objected and the dormitory was approved.

State-Operated Schools - Senator Ray moved a total figure of \$33,500,000. Upon a vote, the committee approved this figure five to two. The staff will work with the sub-committee to break down this lump sum allocation as far as possible.

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

AFTER RECESS
10:20 a.m.

The committee discussed the Scholarship Loan Program and decided the appropriation should be pro-rated upon the number of applications, with emphasis on under-graduate studies. Senator Ray recommended a figure of \$2 million, which Senator Butrovich seconded. The committee approved the figure by a vote of four to three, with the stipulation that the funds be pro-rated accordingly, and emphasis placed on under-graduate studies.

Under Museums & Arts, the element Transportation-Museum was discussed. Senator Palmer moved to delete any funding, and Senator Ray objected and requested the Governor's recommended figure of \$50,000. The committee voted five to two to delete the funding.

Council on the Arts - Senator Ray moved a total figure of \$300,000, using the same amount of federal funds and increasing the program receipts to \$30,000. No objection, so ordered.

Senator Ray moved adoption of the budget as submitted by the sub-committee, with the above-mentioned revisions. Senator Palmer noted the financial support questions had not been resolved. The committee discussed funding, and noted that last year's total of \$76 million included transportation, PL 874, and debt retirement. Senator Ray moved a total figure of \$80 million, including an instructional unit base figure of \$19,250, debt retirement of \$3,150,000, transportation \$5,450,000, and PL 874 \$2,500,000. Senator Poland seconded the motion, and Senator Lewis objected. The vote approved Senator Ray's motion six to one.

Senator Ray moved the adoption of the total budget. No objection, so ordered.

Univ. of
Alaska

Senator Lewis referred to the University of Alaska's budget request and said additional work had been done by the sub-committee to calculate costs of opening the new buildings. He stated that the new buildings can be opened with the proper use of funds, and recommended a total figure of \$29,634,300. Senator Ray said this was not a realistic figure, as it was only a 2% increase, and moved adoption of the Governor's recommendation. Senator Lewis objected. Senator Ray said this was a more realistic figure of a 3.6% increase, and the Governor's budget committee did consider raising tuition fees when the recommendation was made. Senator Lewis moved the sub-committee's recommendation be accepted, and the committee voted five to two to accept this figure.

Senator Ray requested that legislative intent show a Homemaker position in Juneau be re-instated. No objection, so ordered.

The meeting recessed at 11:45 a.m.

SENATE FINANCE COMMITTEE
AFTER RECESS
April 15, 1972
1:30 p.m.

Present: All members; Myrton Charney, Director, Division of Budget and Management; Bob Schroeder, Division of Budget and Management.

Development Senator Butrovich called the meeting to order and brought out the Program Category Development for discussion. The sub-committee consisted of Senators Groh and Koslosky.

Under International Development Yukon-Taiya, Senator Butrovich moved and asked unanimous consent to restore them the \$5,000. No objections, so moved.

Under Agricultural Development, Administration and Support, the fair buildings in Fairbanks and Palmer were discussed. Senator Groh felt that the \$37,000 worth of crops displayed did not warrant a \$50,000 building. Senator Ray pointed out that there are many other items displayed also - handiwork, cooking and canning, Indian dancing, etc. Senator Groh argued that these buildings were only the first step and that the total costs for Ninilchik, Kodiak and Haines would be \$350,000 each. Senator Ray said that these would become community centers and would have year-round use and he moved that the committee adopt the governor's figures. Senator Lewis objected. Those in favor were Senators Koslosky, Poland, Ray, Palmer and Butrovich.

Under Agricultural Development, Agricultural Loan Fund, the committee voted to add \$25,000 to Contractual Services for the Kodiak Slaughterhouse. Those in favor were Senators Lewis, Butrovich, Palmer and Poland.

Under Financial Assistance to Communities, Revenue Sharing, Senator Palmer moved and asked consent to run a study on what has been done in Unalaska with the \$57,000 to maintain roads. Senator Poland pointed out that it would not be feasible as the money could be used for anything Unalaska wanted to use it for. Senator Groh suggested putting intent with the allocation and the committee decided that this would be something to take up next session.

Under Local Assistance Division, Technical Assistance Senator Ray moved that the sub-committee figure be moved up to the governor's. Those in favor were Senators Ray and Poland. The motion did not pass. Senator Ray then moved that an attorney position be added to the sub-committee figure. Those in favor were Senators Lewis, Groh, Koslosky, Poland and Ray. Those against the motion were Senators Butrovich and Palmer.

Under Office of the Governor, Local Assistance Division, Human Resources, Senator Lewis moved to take out all funds for Alaska Legal Services. Those in favor of the motion were Senator Lewis.

Under Economic Development, Economic Research and Analysis, Myrton Charney mentioned that one man who was to take a position in another office would be knocked out of that position too on the basis of the sub-committee request. Senator Ray moved that the attorney Jim Deegan be put back in. All members except Senator Palmer were in favor of the motion. So moved.

Under Economic Development, Commissioner's Office, Senator Ray moved that the 5.5% figure be used for travel, changing travel to 14.8 and making the total in the Commissioner's Office 177.1. The committee passed the motion.

Under Office of the Governor, Rural Affairs Commission it was moved and passed that the sub-committee figure be changed to \$5,000. In favor of the motion were Senators Groh, Lewis, Butrovich, Palmer and Ray. Against the motion were Senators Poland and Koslosky.

Under Office of the Governor, AIFC Steering Commission, Myrton Charney spoke highly of this commission and asked that some funds be allocated. Senator Lewis moved and asked consent that the sub-committee figure of -0- be left in. Those in favor of the motion were Senators Koslosky, Groh, Palmer, Lewis and Butrovich. Those against the motion were Senators Ray and Poland.

Under Economic Development, Administrative Services Division, Senator Groh moved and asked consent to put the three present positions back in that the sub-committee had taken out. Those in favor of the motion were Senators Palmer, Groh, Koslosky, Poland and Ray.

Rick Berrier from Budget and Management came into the meeting at 3:00 p.m.

Under Office of the Governor, Council of Economic Advisors, Myrton Charney asked the committee to reconsider taking out all funds. Senator Palmer moved that the committee accept the -0- figure. There being no objection, it was so moved.

Staff asked if the language on the last page of the Development budget concerning the watercraft fuel tax was clear. The committee asked to make a final decision on this at a later time.

Senator Groh moved and asked unanimous consent that the entire Development budget be accepted. No objection, so moved.

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

AFTER RECESS
April 15, 1972
3:30 p.m.

Present: All members; Myrton Charney, Director and Rick Berrier, Division of Budget and Management.

Public Senator Butrovich called the meeting back to order and asked
Pro- that the committee turn to the Program Category Public Protection
tection and said that the sub-committee consisting of Senators Lewis and Groh would present their decisions.

Under Department of Law, Consumer Protection, Senator Ray moved and asked consent that the committee amend the sub-committee figure upward to the governor's. Those in favor of the motion were Senators Ray and Poland.

Under Department of Commerce, Weights and Measures after some discussion Senator Groh moved and asked consent to put a second man back in to main the scale house for truck weighing so they will have a 24 hour service. Senator Ray seconded the motion. All members were in favor of the motion.

Under Department of Natural Resources, Agricultural Inspection, Plant Industry, Senator Koslosky objected for the record.

Under Department of Commerce, Corporation and Financial Regulations, Banking and Small Loans, Senator Ray moved to reduce the travel figure to \$8,100. Those in favor of the motion were Senators Lewis, Groh, Palmer, Ray and Butrovich.

Under Department of Revenue, ABC Board, Senator Ray moved that one more investigator position be put on the ABC Board. In favor of the motion were Senators Butrovich, Koslosky and Ray.

Senator Ray moved and asked unanimous consent that the Public Protection budget be accepted as corrected by the committee as a whole. There being no objections, it was so moved.

Transpor- The committee then moved to some unfinished business with the
tation Program Category Transportation.

Under Department of Highways, Maintenance, Southcentral, Senator Lewis moved to increase the figure by \$275,000 for the Klat Road. All members were in favor of the motion.

Under Division of Aviation, Trunk and Secondary Airports, Southeastern Region, Senator Palmer moved that a letter of intent allowing \$25,000 for gravel at the Kasilof strip be written. There being no objections, it was so moved.

Senator Palmer moved and asked unanimous consent that the Transportation budget with changes made by the committee as a whole, be accepted. There were no objections; it was so moved.

Admin.
of
Justice

Senator Ray moved and asked that a letter of legislative intent be written saying that the magistrate for the Court System in Pelican be put back in. Those in favor of the motion were Senators Ray, Butrovich, Poland, Koslosky and Palmer.

Adjourned: The meeting adjourned at 5:00 p.m.

SENATE FINANCE COMMITTEE

April 17, 1972

9:30 a.m.

Present: All members; Myrton Charney, Director, Kent Dawson and John Andrews, Division of Budget and Management.

General Gov't Senator Butrovich called the meeting to order and said that the sub-committee consisting of Senators Ray and Butrovich would present the Program Category General Government.

Under Legislative Branch, Legislature, it was moved that the committee adopt the governor's request. No objections, so moved.

Under Department of Administration, Services to State Agencies, Personnel - Minority Training, after some discussion Senator Lewis moved and asked consent to knock the whole training program out. Those in favor of the motion were Senators Lewis and Groh.

Under Department of Administration, Services to State Agencies, General Services - Central Duplicating, Senator Butrovich moved to reduce the sub-committee figure in Commodities making the total figure 196,500. There being no objections, it was so moved.

Recess: The meeting recessed at 10:25 a.m.

AFTER RECESS
April 17, 1972
11:30 p.m.

Present: All members except Senator Poland; Myrton Charney, Director, Kent Dawson and John Andrews, Budget and Management Division.

General
Gov't

Senator Butrovich called the meeting back to order and said that they would continue with the Program Category General Government.

Under Department of Public Works, Communications, Remote Village Radios, Senator Palmer moved that an additional \$25,000 be put in Equipment for TV translators. All members were in favor of the motion.

Senator Ray asked to move back to Department of Administration, Executive Administration, Budget and Management and moved to increase Travel \$1,000. All members were in favor of the motion.

Staff passed out a memorandum having to do with the 1972-73 General Government budget and Senator Groh moved that the Fire Costs of \$31,800 be added to Department of Administration budget, and that it go into Contractual Services of Personnel - Administration and Support. There were no objections, so moved.

Senator Ray moved for the adoption of the General Government budget with changes made by the committee as a whole. All members were in favor of the motion. So moved.

Public
Protection

The committee then moved to the Program Category Public Protection, and discussed the Division of Protection in the Department of Fish and Game.

Senator Butrovich asked the committee and staff if there were any reason why the Division of Protection could not be left in the Department of Fish and Game and have the Governor transfer it by executive order. Myrton Charney said that it could be passed out under the Department of Public Safety and be adjusted in free conference or it could be left the way it was and be transferred by executive order. Senator Butrovich moved that the figure of \$2,131,700 be accepted as it stood and that the governor transfer the Division of Protection by executive order. There were no objections, so moved.

Adjourned: The meeting adjourned at 12:05 p.m.

SENATE FINANCE COMMITTEE

April 18, 1972

10:30 a.m.

Present: All members; Myrton Charney, Director, Budget and Management Division; Joe LaRocca, ABC; Judge Stewart, Alaska Court System.

Alaska Court System Senator Butrovich called the meeting to order and asked the committee if it would consent to having Judge Stewart before them to talk about the proposed court building. The committee consented.

Judge Stewart entered the committee room and began by saying that he had never been so distressed over a state government matter. He said that he would speak both as a judge and as a concerned citizen. He said that he would first give a short history of the circumstances that had led to the present decision for a Juneau Court Building.

Judge Stewart said that the need was obvious last year when the bill was passed. He said that he had asked the people who set the program up not to set a specific amount of money for the building as there are so many things to be considered; a study would have to be done so they would know whether or not the building should be built. He said that he had minutes in his possession that said that an estimate was made at around \$4,000,000. A legislative member was going to introduce a bill for \$3,000,000 and Judge Stewart asked him not to do that. A resolution was passed which did not state any monetary limits. \$50,000 was allowed for a study to be done on the proposed building. The site was the same; between 3rd and 4ths and Main and Seward Streets. The planning committee was headed by Justice Diamond who was ill so Judge Stewart took his place. Among other members of the planning committee was a judge from Portland Oregon who was extremely instrumental and influential in the study, and helped to get it down to a more conservative plan. Judge Stewart stated that he had insisted that it have some aesthetic value as there is not one state building in Alaska that is worthy of its name. Secondly, he had asked for off-street parking. He felt this was a responsibility of the state. The buildings was studied out and the project cost came to \$8.2 million. For that, the state would get off-street parking, court facilities, and aesthetic structure for the state. Judge Stewart said that at this point if the legislature had said, "We cannot afford it for five years, we will wait," that would have been fine. But Mr. Henrie, Commissioner of the Department of Administration, had decided to go ahead and sell the bonds. That was a mistake as there is no going back now. The House Finance Committee had become much concerned with the cost, which had gone from \$4 million to \$8 million.

Judge Stewart pointed out that no one was mislead intentionally, but

that now the House Finance Committee had revised the project plan. He questioned that a committee of the legislature can direct governmental affairs.

He went on to say that the alternate choice would be a tragic one for the State of Alaska. He said that it will be inadequate from the day they move into it. It will provide 1/2 the office space with no parking facilities. He pointed out that the City of Juneau will be saddled with that type of a structure; it will cut up the economics of Juneau and it has no aesthetic value. He said that the procedure to this point never should have been taken but it was and now why should the state make an even bigger mistake. He urged the committee to take a long range view of the situation and avoid this monstrosity. He thanked the committee for letting him speak.

Senator Groh asked how much of the \$8.2 million would be spent on parking and about the foundation of the building. Judge Stewart said that \$644,250 would be spent on parking. He said that as far as the foundation goes it would cost more than any other part of the building. There is so much muck there that they will have to go down to reach solid earth. He said that the building will only cost \$3 1/2 million above the foundation. He said that the building itself is a handsome one but not elaborate and that the committee should keep in mind that the foundation and the expensive method of handling it is the real cost on the site.

Senator Groh asked what the site acquisition was and Judge Stewart answered that it was \$1 million and that all parties have been settled with except for the Methodist Church.

Senator Palmer asked what the commitments of the state to the bond buyers were and Judge Stewart answered that the commitment was to have a building on that spot by April, 1975. The bond buyers have a lien on the property. He added that Commissioner Wolforth has a rather expensive alternative concerning the bonds. Aside from that the state must either go ahead with the project at hand or settle for this horrendous mistake. Judge Stewart then presented the committee with a cost estimate for the whole project (see following page). He then thanked the committee and stressed again that long range interests are better than short range ones. He left the committee room.

Senator Ray moved and asked unanimous consent to go into executive session. There were no objections; it was so moved. Joe LaRocca left the committee room.

Capital
Budgets

The committee then took up some unfinished business. The staff passed out some budget information to the committee that they had not yet discussed and it was decided to act upon these items before adjournment.

Under Capital Projects for the Department of Public Works, Senator Palmer moved and asked unanimous consent to pass \$29,400 for fire detectors for the Bethel and Nome Regional Schools. There were no objections; it was so moved.

Under Transportation, Senator Ray moved that the committee adopt the Capital Budget for Transportation. All members were in favor of the motion; it was so moved.

Under the Capital Budget for General Government, Senator Ray moved that the committee adopt the General Government Capital Budget. All members were in favor of the motion; it was so moved.

Under Waters and Harbors, Senator Ray moved and asked that the committee lower the expected income for the Watercraft fuel tax to \$850,000. All members were in favor of the motion. It was so moved.

Adjourned: The meeting adjourned at 11:30 p.m.

COST ESTIMATES
JUNEAU COURT BUILDING
April 6, 1972

1. PLANNING		\$50,000
2. DESIGN		\$343,000
3. COURT CONSULTANTS		\$50,000
4. SITE ACQUISITION		
APPRAISALS:	\$ 5,000	
PARCEL: Highway Right-of-Way	35,800	
PARCEL: Methodist Church	225,000	
PARCEL: Burford Building	201,000	
PARCEL: Community Building	402,500	
TOTAL:		\$869,300
5. SITE PREPARATION		
SOILS TESTS	\$112,000	
DEMOLITION	173,000	
SITE WORK	302,500	
TOTAL:		\$587,500
6. BUILDING CONSTRUCTION		
FOUNDATIONS	400,000	
PARKING 44,500 sq. ft. @ \$14.90	664,250	
COURT BUILDING 66,200 sq. ft. @ \$54.00	3,574,800	
FURNITURE	198,600	
TOTAL:		\$4,837,650
7. DEPT. OF PUBLIC WORKS ADMINISTRATION & INSPECTION		\$168,000
8. ASHA ADMINISTRATION		
COST OF BOND SALE	60,000	
CAPITALIZED INTEREST	920,000	
TOTAL:		\$ 980,000
9. CONTINGENCIES		\$394,550
10. TOTAL COST		\$8,280,000

COST OF BUILDING PER SQUARE FOOT:

Site Work	\$302,500
Foundation	\$400,000
Court Bldg.	<u>\$3,574,800</u>
Total	\$4,277,300

COST PER SQUARE FOOT \$4,277,300 66,200 Sq. Ft. = \$64.51.

SENATE FINANCE COMMITTEE

April 19, 1972

2:10 p.m.

Present: All members with the exception of Senator Lewis.

Capital
budget
appropria-
tions

Senator Butrovich called the meeting to order to discuss items in the capital budget which had not been approved for the program categories of Health and Social Services. These were a mausoleum in Sitka and renovation of the Sitka Pioneers' Home in Social Services, and Hill-Burton matching funds in Health.

Senator Lewis arrived at the meeting at 2:15 p.m.

The committee discussed the renovation of the Sitka Pioneers' Home for \$750,000, and Senator Ray stated this renovation is necessary. Senator Butrovich said this home should be brought up to the level of the homes in Fairbanks and Palmer. Senator Ray moved the request be approved. No objection, so ordered.

The Hill-Burton matching funds were approved by the committee without discussion.

Appropriation
Bill

A draft of the appropriation bill was distributed to the committee and Mr. Guthrie explained same. Funds were appropriated at the Element level, with no totals given for each program category.

Senator Palmer noted under the appropriations for small boat harbors \$40,000 was allocated for a study of the Ninilchik harbor, and requested it be divided \$20,000 for Seward and \$20,000 for Ninilchik. He moved this change be made, and there was no objection from the committee.

Referring to the last page of the bill draft, Senator Ray moved the adoption of Section 10. No objection, so ordered.

Senator Ray moved the adoption of Section 11. Senator Lewis objected, and the committee voted six to one to approve the section.

Senator Ray objected to item (3) under Section 13, and suggested the Governor notify the Budget & Audit Committee within 30 days of any transfer of funds. Senator Ray objected to the Budget & Audit Committee having veto power over the Governor on reallocations between appropriation items. Senator Groh suggested the Budget & Audit Committee be notified of such transfers at their next meeting, and moved this language be so changed. Senator Ray suggested the committee be notified five days after any transfer of funds.

After considerable discussion, the committee recessed at 3:30 p.m. to talk to the Governor about this section.

AFTER RECESS

4:00 p.m.

Present: All members with the exception of Senators Ray and Koslosky.
Tom O'Donnell, Director, Division of Administrative Services.

Capital budget appropriations
Senator Butrovich called the meeting to order upon return from the Governor's office, and stated Mr. O'Donnell was present to give further information on the request for a mausoleum in Sitka.

Mr. O'Donnell said Sitka Pioneers' Home averages about 70 deaths per year, and they now plan to use the driveway for burials which would provide another 60 graves. There is no land suitable for a cemetery either in the Pioneers' Home or in Sitka. The last site rejected was Jamestown Bay, which was off the main road and an access road would have to be built at a cost of about \$1.5 million. The City of Sitka has an estimate of \$155,000 for a mausoleum with a capacity of 300 spaces, which would be built over the existing Pioneers' Home cemetery. The city would provide maintenance and up-keep, and the state would provide a share of construction costs plus landscaping and a driveway. 200 spaces would be reserved for Pioneers and 100 for the city. Mr. O'Donnell continued by saying the advantage of a mausoleum is there is a possibility of adding other segments as it becomes filled. At present there is only enough land left for one year, or possibly one and one-half years. Senator Palmer suggested shipping the bodies to another location, which the committee discussed as a possibility. Cremation was also mentioned as another possibility; however, Mr. O'Donnell said the applications for the Pioneers' Home questions if the family has any objection to cremation. They would abide by the family's wishes.

Senator Ray and Joe LaRocca, news reporter, entered the meeting at 4:10 p.m.

Senator Groh moved this item be deleted from the capital budget. Senator Poland seconded the motion, and Senator Ray objected. Upon vote, the committee deleted the request for a mausoleum in Sitka, five to one.

Senator Ray moved and asked unanimous consent the committee go into executive session. No objection, so ordered, and Joe LaRocca left the meeting.

Appropriation Bill
Senator Groh stated the Governor has no objection to transmit to the Budget & Audit Committee a copy of any transfer of funds immediately upon his signature. Item (3) in Section 13 should be struck and a new section 14 inserted with this language. The sections following 14 should be renumbered.

Senator Ray moved and asked unanimous consent to approve the draft of the appropriation bill, subject to the re-wording of Section 13. No objection, so ordered.

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

SENATE FINANCE COMMITTEE

April 20, 1972

2:00 p.m.

Present: All members; Kent Sturgis, AP; Mike Todd, Empire: Joe LaRocca, ABC; Don Smith, Alaska Legislative Report; Steve Weiner, AP; Allan Frank, Anchorage News.

Press
Release

Senator Butrovich called the meeting to order and announced that the finance committee would be discussing their budget in final form with the members of the press. He added that any information released by the Senate Finance Committee at this time would be held confidential until the budget went on the floor the next day. He explained that the rest of the senate did not know of their decisions. Joe LaRocca stated that when he began negotiating with the press to get in on this meeting he told them that the figures were not to be let go until the proper time. He said they would be very careful not to make a slip. The members of the press and the committee then discussed release time and established some ground rules for comparisons, etc., of the figures with those of the administration and the governor. It was also established that there would definitely be a budget bill brought before the floor the next day. Questioning then began.

Joe LaRocca asked where the difference between the finance committee and the governor lay in the proposed capital budget and it was answered that there was really very little difference except for a change in Government. Senator Palmer added that there is a total reduction in the capital budget from the governor's of \$197,800.

The University of Alaska budget was discussed and Joe LaRocca asked what the difference was between the governor's and the Senate Finance Committee's bill on the university. Senator Lewis answered that it was \$20,300,000 for the governor, \$19,996,200 for the finance committee, with a \$303,800 difference in the general fund. He added that the finance committee allocated funds to the point where they believe that all the new buildings can be opened. The scholarship loan fund was discussed and it was pointed out that the request was for \$3 million and the committee granted \$2 million. The remaining \$1 million was to go for the purchase of AMU land, which is in the Rules Committee at present.

Allan Frank asked about the Division of Protection and Senator Butrovich explained that the committee allowed Protection to stay in the budget for Fish and Game so the governor would have to make the change by executive order.

Allan Frank asked where the cuts were made in the Department of Environmental Conservation and Senator Butrovich answered that it would be hard to say as the cuts were made all the way through; he said a lot of cuts were made in Personal Services.

Senator Butrovich stated that if it wasn't for the increase in education in the finance committee budget, they would have been \$12 million under the governor.

Joe LaRocca asked if their budget could be considered a maintenance budget and Senator Palmer answered "yes." Joe LaRocca asked if the finance committee budget assumed any revenue projects which the governor's budget did not and Senator Butrovich answered "no." Don Smith asked if the finance committee budget included any lease sales and Senator Butrovich answered "no." Don Smith asked if the finance committee budget included the small business fund that was passed last year and Senator Groh answered "yes." Don Smith asked about civil defense and Senator Groh said that all but one portion was funded. Senator Butrovich said that nothing was funded that hadn't as yet been passed. All further funding will have to be done in Free Conference.

Joe LaRocca asked someone to comment on the major changes in the Department of Health and Social Services and Senator Butrovich answered that the one big change of about \$20 million is that the finance committee did not appropriate in federal funds. It was not the intent of this committee to appropriate the money and let them have complete freedom with it; they want some control by the Budget and Audit Committee.

Don Smith asked about the Alaska Court System budget and Senator Ray answered that the finance committee figure was \$8,823,500, but that this figure is subject to a possible increase or decrease. Don Smith asked if the Land Claims settlement stayed the same and Senator Butrovich answered "yes." Don Smith asked about the Department of Law and Senator Butrovich said that no reductions were made in law enforcement personnel.

Joe LaRocca said that he had heard that 100 employees at the U. of A. would have to be let go and asked Senator Lewis to comment. Senator Lewis said that all existing personnel had been allowed. He said that they used the Kraft formula to determine square feet per custodial position, and they based it on 20,000 sq. ft. per custodial position. The U. of A. had been using 9,000 sq. ft. per custodial position.

Don Smith asked how the program budgeting system had worked out this session and Senator Butrovich said it had worked well. The committee had actually reduced the categories into departments. He said that if the administration accepted the finance committee's

recommendations, he feels that next years finance committee can come out with a budget a lot faster than they had this year. He said that he also liked the idea of the "short form" system, which saved them the trouble of going through the work documents.

Joe LaRocca asked if there were any major changes that had not been talked about. Senator Groh answered that the number of new positions in their budget is relatively minimal and that that is the most significant point. Senator Butrovich agreed with that statement, saying that the major change had been made in Personal Services. Senator Palmer added that there had been a \$100,000 increase by request of the governor in Protection.

There were some miscellaneous statements made. Senator Lewis said that they tried very hard not to harm the educational effort in any way. Senator Ray said that though some of the reductions in Social Services might seem to have been made indiscriminately, they were not. Regarding Food Stamps, Senator Ray said that the program had been given to the Post Office and that sale of food stamps will be made by the post master. He said they will have the same program with a savings of \$1/2 million and an increase in service.

Joe LaRocca thanked the committee for their time, and Senator Butrovich said that if any member of the press had a question to be sure to ask the Senate Finance Committee staff for assistance. It was agreed that the press would be able to pick up a copy of the bill later in the afternoon.

Adjourned: The meeting adjourned at 3:10 p.m.

SENATE FINANCE COMMITTEE

AFTER RECESS

April 26, 1972

3:10 p.m.

Present: Senators Butrovich, Groh, Koslosky; Mr. F. P. McGinnis, Commissioner of Department of Health and Social Services; Ms. Carol Parsons, Anchorage CPC; Ms. Ilarie Benningfield, Anchorage CPC.

Social Services
CPC Senator Butrovich called the meeting to order and announced that the representatives present for the Anchorage Citizens Participation Committee would speak on the Senate Finance Committee's decision on the Social Services budget for 1972-73, and he introduced the same to Senators Groh and Koslosky, and Commissioner McGinnis.

Ms. Benningfield started by saying that they had gone over the Social Services budget and had found the cuts recommended by the Senate Finance Committee. She said that these cuts will especially and adversely effect those people in the low-income area. She stated that she did not believe the committee was fully aware of all the problems these people had to face, i.e., high rent costs, scarcity of housing at reasonable prices, difficulty for a widowed or divorced woman to support children well in a city like Anchorage. She presented a copy of several budgets which she said were representative of approximately 3,000 low-income families in the Anchorage area and said that she sincerely wished the committee to look at these budgets carefully. She said the first budget was her own. As far as work was concerned, Ms. Benningfield said that it was not that they did not want to work, but that there is no work available. She said that many of the people in her situation simply are not cut out to be secretaries or waitresses and that in the training programs that are provided, training for other types of jobs is many times not available. And, without experience, one cannot qualify for the job one might desire. She said that as a welfare mother, she has no choice but to work, but some cannot raise enough money each month to take care of their children or to pay their bills. She said these people must have proper training and a proper budget, but she said that apparently the welfare budget had been forgotten. She asked the committee to again consider the budgets she had presented and pointed out the fact that their children did not ask for this position. Senator Butrovich thanked her for her presentation.

Ms. Carol Parsons stated that one of her major points was that most regard the world of the poor as an abstraction, an entity that does not really exist except in the imagination of those who expound it. She wished to make clear to the committee that this world does exist and that 9/10 of the poor people she has met have great value and have potential to have value to the

State of Alaska. She said that the children are effected the most by poverty and that with this budget cut in the state budget by the Senate Finance Committee, the committee had best prepare themselves for more requests for money from the foster homes, as more children will have to be given up. She said that she had tried in every way to support her family but could not do it. At the present time she is receiving help to be a full-time college student; if this cut goes through, she will lose her children, help for college and her home. She stated that she was sorry that the anger was finally showing as they had all felt the necessity of remaining calm in this situation, but that it is very difficult to do, knowing what will happen to their children who are next generation. Ms. Parsons said that maybe the finance committee also had stories similar to their own, but that maybe they had a wife or someone close to help and influence them in their life and careers. However, she said that most of the people she represents have no one to help and are alone with their children. If the welfare payments go down, it will be even more difficult for them to live.

Senator Butrovich thanked her for speaking and stated that some further knowledge about the state budget was necessary. He said that the cuts she was speaking about were cuts requested by the department. He said that the Social Services budget had been increased by \$4 million over last year and that the finance committee did have other departments to consider also. He said that he did not see how she could say that any segment of the people who need social services are being ignored. Ms. Parsons said that she thought the committee's human responses to a very human situation were just not there and asked what the Chairman's recommendation would be then for those mothers. Senator Butrovich replied that of course he could not know any more than her but that at the same time he did not wish her to think that he and the other members of the committee had big rocks where their hearts should be. He felt the committee did a sincere and good job in determining the Social Services budget. Ms. Parsons stated that she felt the budget could be raised at any rate. Senator Butrovich stated again that the finance committee must consider all the budgets for all the departments of the state and that it might be to the better advantage of the ladies present to learn more about state budgeting and the legislature before condemning. He said that this cut would not directly effect the amount of welfare payments and that their biggest cuts in the department were in personal services rather than in grants to programs and people.

Commissioner McGinnis stated that more funds can still be delivered to Social Services. He reiterated that the budget was much higher this year than last year and that funds can be adjusted and transferred if need be. He said that at this time, the department hesitates to make statements concerning the budget as they are just beginning to analyze it and when that is done

they will compare their analyses and make adjustments where need be.

Ms. Benningfield said that she and the other welfare recipients just wanted to be able to afford what they need and that she felt the Senate Finance Committee could help. Senator Butrovich said that he felt they had helped. Senator Groh said that if they were talking about AFDC, he did not feel that they could talk about cuts in a broad sense; there may be a cut in positions; that won't effect you or the amount of your welfare payments, but rather the department. Both representatives of CPC argued that it would effect the recipients, as the efficiency of the department would be lowered.

Ms. Parsons stated that there might be 5% who abuse the welfare program, but the others are sincere and do use their assistance as best they can. Ms. Benningfield said that the committee must realize that they must be able to raise their children and that their children are more important than anyone in the room. Senator Butrovich agreed wholeheartedly.

Some further and redundant discussion followed concerning the Social Services budget cut and the state budget system. Then the CPC representatives thanked the finance committee for their time and consideration. Senator Butrovich thanked them also and stated that both parties had made their point well.

Adjourned: The meeting adjourned at 3:30 p.m.