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a hospital, and before you can cut off funding or "disapprove" a hospital program, an administrative code hearing must be held. Commissioner McGinnis then said that he did not think that the clinic is a hospital. He then said that the clinic asked for one permanent restraining order and two temporary restraining orders.

Commissioner McGinnis told the Committee that they extended the funding because there was no other drug program in the Anchorage area, they notified the borough of Anchorage and told the borough to plan for a methadone program which could be approved.

Rep. Warwick asked if the state is still administering the program. Commissioner McGinnis replied that it is through June 30, 1974. He added that the clinic had told the FDA that they could operate without state funds.

Rep. Warwick then asked the Commissioner if he was going to shut the clinic down. Commissioner McGinnis said it is a legal question surrounding the issue. The federal regulations state that the methadone program should have state approval to get a federal license, and after that, a hearing process. He said the fact is, a hearing does not mean they can give approval over the state's objection, but without approval, the Commissioner of the FDA can override the objection if any decision is made over the federal regulations.

He stated that if the state takes action based on state law, they will not touch the decision made, but if it is based on federal law, it is then a different situation.

Dr. McGinnis said that the clinic called back the FDA to have yet another (the fifth) evaluation. The team states that it appears that the clinic looks as if it is complying substantially. Commissioner McGinnis said that if this were any other social services program, he would grant approval, but because the department has no confidence in the way the program is being administered, his answer is that he will still not give approval.

Dr. McGinnis told the Committee that the department has had more trouble with the Langdon Clinic more than all other social services programs put together. There is no indication that the Langdon Clinic is showing a willingness to cooperate. The Langdon Clinic feels that the Department of Health and Social Services is intruding. Commissioner McGinnis said he will not send anymore teams to the clinic or perform anymore evaluations on the clinic.

Unless some compelling new feature arises, the Commissioner's answer to approve the clinic will be "no".

Rep. Haugen then asked how many hardcore addicts were in the Anchorage area. Commissioner McGinnis said that would depend on the definition of the word "addict", but police stations and the Langdon Clinic say there are anywhere from 300 to 500 addicts in

Anchorage. The Office of Drug Abuse feels that number is an overstatement. He said that one concern the department had was that the last time the FDA visited the Langdon Clinic, only 28 people were in the program; all 28 were at the maintenance level. No one was on the detoxification level or waiting to join the program. The Commissioner called the Mayor and the Assistant Attorney General and told them that he felt that if the Langdon Clinic was, in fact, serving only 28 people, then there was still a tremendous need for the other drug addicts in the area to be treated and rehabilitated. He asked the borough what plans it had to meet this need. The Public Health department of the borough answered generally but did not want to get into such a controversial area. Commissioner McGinnis told the Committee that either the borough must work with the problem or the state must do something. In a letter to the Health Department and the Mayor of the borough, Commissioner McGinnis advised them the borough should develop a program before July 1, of this year to address the problem.

Commissioner McGinnis said he suspected that there were about 100 "hardcore" addicts in the Anchorage area.

Ms. Hillburn told the Committee that 104 people using drugs had backed off the program for various reasons. The patients are monitored to see if they are taking any other drugs. If they are, they are taken off the maintenance program. Rep. Haugen asked what then happened to the individual. Ms. Hillburn replied that the individual goes back out onto the street. She stated that the individuals now on the maintenance program are "clean" except for methadone.

She added that the cost of methadone per day is cheaper than the cost of heroin. Many people on the methadone program are now employed and are productive members to society.

Rep. Warwick asked when the "needs Study" for which \$56,000 was allocated for last year would be published. Ms. Hillburn stated that it will be submitted to the Legislature April 15; it will show programs such as prevention through education, crisis service, youth recreation programs, treatment, rehabilitation and training programs; all are needed. Rep. Warwick asked if any of these plans will be implemented. Ms. Hillburn said that the first priority is to maintain the ongoing treatment programs which demonstrated that they are meeting a need. She then said that they will expand services as funds become available.

Ms. Hillburn told the Committee that a special action office was created by the President which permitted particular powers of picking money out of any organization that had drug funds. At that time the drug crisis situation had tapered off, and now upon approval of state plans, certain funds will become available. She said that HEW will give Alaska \$50,000 next year.

When questioned by the Committee about \$682,800 in federal funds being lapsed in FY 73, Commissioner McCinnis and his staff said that they had not lapsed anything at all; the Committee must be thinking of those Title XVI and IV funds which the department did not get.

The department told the Committee that there are two appropriation bills introduced this year (generating from both houses) which show that the need is greater than this budget request reflects.

Ms. Hillburn then said that during the last week of April she will revisit every program throughout the state which is funded; she will make recommendations as to whether that program should be refunded again or not. Even with funds available, some programs may not be continued.

Rep. Warwick asked if the University of Alaska is getting any money for their drug seminars. Ms. Hillburn replied that they are getting very little. She said that her department pays for one person's travel to help with the social seminar workshops. The U.S. Office of Education pays expenses.

Ms. Hillburn said that there is a consortium called "Awareness Associated" which would like to plan money for anticipated pipeline impact before problems regarding drugs hits the state. Rep. Specking asked Ms. Hillburn's opinion of this group. She stated that the group had not planned a budget as yet, but their objectives are worthwhile. She then said that she would have to use the same criteria for judging this program that she used for evaluating other programs, but she had not had time to do so yet.

Office
of
Aging

The Committee then considered the Office of Aging FY 75 budget request. Mr. Maurice Plotnick, Coordinator of the program was present to testify.

Mr. Plotnick stated that the Office of Aging primarily receives \$1 million in federal funds under two federal laws; in addition to implementing those laws, they are now to receive \$160,000 from the federal government to administer the program. The biggest difference now is the receipt of \$492,000 to implement Title VII (Older Americans Act) to provide one hot meal per day not less than five days a week, for anyone 60 years of age or older.

Federal regulations call for not less than 100 meals per day being served. This will limit the program only to Anchorage and possibly Fairbanks, but Alaska received an exception to that so only 50 meals per day have to be served.

Mr. Plotnick said that they received their money in October, and three grantees were awarded in December of 1973, therefore there is only an experience factor of two months. The grantee for Anchorage is the Salvation Army; The City of Fairbanks turned

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over its award to the North Star Council on Aging; the Southeast Catholic Community Services is the grantee for Southeast Alaska, encompassing programs in Juneau, Angoon, Tenakee Springs, Sitka, Ketchikan, and Metlakatla. Mr. Plotnick said that they do not have "perfect" figures now on how many people are being fed each day, but they do have a cumulative figure for each week. He stated that many of the communities in this program had to purchase equipment, etc. and thus commenced this program a little later than others; the Office of Aging obtained a 90-day extension from the federal government.

Mr. Plotnick said that no FY 74 money had yet been received; they were still spending FY 73 money.

He stated that there is a new thrust in federal laws which states that communities must have transportation, health care delivery, legal services, longevity bonus programs, etc. for the aging.

Mr. Plotnick said there was a program funded last year for the City of Anchorage which reimbursed people 75¢ for the use of a cab to get to the nearest bus depot. Mr. Plotnick evaluated the program last week and ironed out the problems; they were only serving 250 non-duplicated persons per week.

The Office of Aging is also an information service which answers questions regarding Pioneer Homes, the longevity bonus, medicaid, etc.; the office then refers individuals to the proper services.

Mr. Plotnick then told the Committee that the services in Angoon and Tenakee Springs had not yet begun; he said that he did not know how the food will be prepared or administered, but in those two communities trailers have to be put in to provide a congregate feeding situation.

Rep. Specking asked if federal regulations required the purchasing and establishing of stainless steel kitchens and expensive equipment. Mr. Plotnick stated that the only grantee that has had to purchase equipment has been the Salvation Army in Anchorage. The intent of the program is to have catered meals.

He stated that Nome, Copper River and Kodiak will all use the school system facilities for this program. He added that the problem or difficulty is that the school system lunch program does not lend itself to the dietary needs of the elderly.

Upon investigation, it was found that Tenakee Springs has the largest percentage of population of 65 years and over (50%).

Mr. Plotnick then informed the Committee that the allocation for FY 74 will be as follows: \$492,000 under Title VII; \$380,000 under Title III; \$160,000 Administrative Costs.

Dr. Yankey asked when the Office of Aging will be notified as to the release of the FY 74 funds. Mr. Plotnick stated that he could not even guess, but the funding has appeared

in the HEW and Agricultural budgets.

Mr. Roger Lang told the Committee that because the granting process for the nutrition program was late in starting, the FY 73 funds were awarded to the grantees late in the year. Those funds can be granted for a full year period; therefore the grantees are funded FY 73 funds and are spending those funds in FY 74. FY 74 money will lapse into FY 75. Money is available, but the state has not generated enough grantees to go into FY 74 funds yet. The federal funds come as reimbursement for expenditures; the money is not available prior to expenditure.

Dr. Yankey asked if the government's donate food program is being programmed into this program. Mr. Plotnick stated that it was; the Salvation Army is using surplus food commodities in Anchorage. Fairbanks is not yet using them. Food Stamp coupons will be available for use for senior citizens in home delivered meal service, but in this program the Food Stamps will be used at a congregate feeding site.

Dr. Yankey asked Mr. Plotnick about that model demonstration out-reach program. Mr. Plotnick stated that there was such a program in the Copper River area before he worked for the Office of Aging. The program is funded by the federal government and operated by social services of that particular Native corporation. The out-reach program is extending services from Glenallen to Valdez.

Mr. Plotnick said that transportation is the key ingredient for programs for the elderly.

Rep. Warwick asked if there was a possibility that any of the programs will be discontinued. Mr. Plotnick stated that he did not know what the plans of Congress are. The feeding program, however, will be difficult to cut out in terms of numbers. The funding source is for food and the funding for transportation is ancillary to the food. Mr. Plotnick stated that he felt the program would grow in scope.

Recess: There being no further questions or discussion, the Committee recessed at 2:50 p.m.

After Recess
3:00 p.m.

All members were present with the exception of Mr. Ose. Also present were Representative Wilson and, from the Department of Health and Social Services, Commissioner McGinnis, Cathy Lloyd, Comptroller, V. L. Iverson, Director of Administrative Services, Roger Lange, Deputy Director of Administrative Services, and Mike Orlove from Budget and Management.

Admin. &
Support

Chairman Freeman called the meeting back to order. The committee continued their review of the Social Services budget, beginning with Administrative Services. Ms. Lloyd noted that there are four new position requests, all of which were allowed by the Governor. (One of these positions - the Clerk Typist III - has been a part-time position and is changed to full-time.) Ms. Lloyd said that these positions are necessary. The federal reporting section is an important one. The federal government has shifted into a high period of audit, and it has become increasingly important that reports be both timely and accurate. It is through the reporting section that the funding comes.

Mr. Iverson mentioned that in the last year to 18 months, they have experienced a complete change of attitude in the federal government. They have hired on about 700 CPA-types to see that the federal government programs are strictly adhered to and to recover what the government has been losing from programs not being run strictly according to regulations.

Mr. Saylor asked about the Arthur Anderson report mentioned in the budget book. Mr. Iverson said that that was a paper study, funded through the Department of Administration. This was not paid for by Health and Social Services, but they used their agency for the study as it is such a large one.

Mr. Warwick asked if there are not some exemptions pending, and Mr. Lange said no, because they have not been audited since 1968. He said that they have been reviewed, however, and have found some errors needing adjustment. Mr. Warwick asked what they are, and Mr. Lange said that the major one is \$1 1/2 million. This was an overclaim for the indirect costs for three and a half fiscal years. Mr. Warwick asked how this will be made up. Mr. Lange said that there was \$1 1/2 million encumbered out of the otherwise lapsing FY73 funds for this purpose. Mr. Iverson noted that the exact figure owed has not been established. They are hoping it will be less than \$1 1/2 million.

Quality
Control and
Collection

Mr. Iverson brought up the new requested BRU for a Quality Control and Collections program. He said that at the present time these efforts are an integral part of the Family and Children's Services Division, and there are some problems with having this regulatory function being part of the agency. He said that this function should be under the highest level of organization in the

Department, that being the Commissioner's Office. He mentioned that they do have fraud investigation activity going on at this time. There are two eligibility workers in Anchorage working on this. He said that he does not know to what extent there is fraud, but there is certainly some.

Explaining further the request for the Quality Control and Collections Program, Mr. Iverson said that they would be taking current positions and the functions and monies connected with them and would also be prioritizing and taking some requested new positions from various BRU's. Thus it will not increase the Governor's budget. They would anticipate that through efforts of this unit, greater recoveries of funds due the state will be made, and a reduction of expenditures in categorical grants through improvements developed by their reviews and recommendations should occur, also.

Explaining further some of the need for a Quality Control and Collections Agency within the department, Mr. Iverson pointed out that in comparing Alaska's error rate with those of the other 53 states and jurisdictions, Alaska ranks 49 in ineligible and 16 in overpayments. Under federal mandate, error rates must be reduced by one-third each six month period beginning January 1, 1974, or fiscal sanctions will be taken.

Mr. Saylor noted that the travel budget seems pretty large. Mr. Iverson felt that this is necessary.

The total cost of this will be \$406,000. A majority of this will come from other BRU's. Funds still required from the state will be \$29.6 thousand.

Mr. Specking asked about collections. He said that he understands there is a large number of accounts due at API, and he wondered if this agency would have anything to do with that. Mr. Iverson said yes, it would.

Mr. Warwick asked who will head this agency, and Mr. Iverson said that they have taken an existing position of Eligibility III and upgraded from an 18 to a 22. This would be the head of the agency.

There was some question about the \$29.6 thousand which is not funded in the proposed BRU, and Mr. Iverson said that this will come from other BRU's and not from the general fund; that is, they are not requesting any more money.

Mr. Barker asked what they will be doing for the Medicaid Program. Mr. Iverson said that at this time, Quality Control under Medicaid is not mandatory although it is available under 14.

There was more discussion on the proposed BRU and once more, Mr. Iverson mentioned its importance and the fact that it will take no more money than is already in the Governor's budget.

Meeting recessed at 4:00.

JOINT SENATE/HOUSE FINANCE COMMITTEES

March 22, 1974

11:10 a.m.

Present: Senators Ray, Groh, Poland and Sackett.

Representatives Freeman, Warwick and Specking.

Assoc. of
Social
Workers
SOCIAL
SERVICES
Division
of
Family
& Children
Services

Cecilia Kleinkauf, representing the Alaska Chapter of the National Association of Social Workers; and Margaret Wolfe, Chairman of the Governor's Welfare Advisory Board, were also present. Elaine Mitchell, Alaska Broadcasting.

Ms. Kleinkauf stated that the Alaska Chapter of the National Association of Social Workers has been interested in the budget and functions of the Department of Health and Social Services and primarily in the Division of Family and Children Services.

Ms. Kleinkauf said that for several years there has been repeated efforts to raise the grant level in Aid to Families with Dependent Children. A \$10 million budget had been submitted by the Division of Family and Children Services and had been raised by the Governor's Budget Review Committee to \$14 million. Ms. Kleinkauf said the National Association supports this raise unanimously. She added that this is their first priority.

Ms. Kleinkauf referred to the BRU dealing with staff development. She stated that there is just under \$750,000 and while this is federally reimbursed, 25% of it is in-kind contribution. She said it is the belief of the Association this amount of money is not totally necessary to do an adequate job. Ms. Kleinkauf stated it is their belief that staff development for the division should be done in-house. Ms. Kleinkauf continued that the majority of the work is going to be contracted out into three components -- University of Utah, University of Alaska and Anchorage Community College. These three contracts amount to \$600,000 and Ms. Kleinkauf said the Association feels a staff development in-house could be done with half this amount. They are recommending that staff development be done in such a way that they could have three staff development officers located in Anchorage, Fairbanks and Juneau.

Senator Palmer entered the meeting.

SB 310

Senator Groh asked the cost of SB 310 (an Act relating to aid to families with dependent children). Ms. Kleinkauf

referred to a fiscal note by the Department of Health & Social Services and said the ceiling indicates a total of \$17,150,000. In answer to Senator Groh, Ms. Kleinkauf said what this bill does is raise the grant level up to what has been established by OEO to be the federal poverty guideline. In answer to Senator Ray, Ms. Kleinkauf said this amount has been established as the lowest level at which a family can survive. Senator Ray questioned how OEO arrived at this amount. Ms. Kleinkauf agreed to furnish Senator Ray a copy of the labor statistics on this.

Ms. Kleinkauf explained that CSSB 310 now includes SB 265. She stated that SB 265 would have established the level of payment for one child who is living in the home of a relative as equal to the foster home payment. CSSB 310 now includes the original SB 310 and SB 265. In answer to Senator Ray, Ms. Kleinkauf stated that she personally felt the fiscal note on this bill may be misleading. It is not broken down in terms of where these children are.

Senator Ray explained that he had sponsored SB 265 and it had been his intent that if a mother and father abandoned a child, the child was taken in by a relative, then that relative should receive the same amount of money as if the child had gone to a foster home.

Senator Ray referred to Ms. Kleinkauf's statement regarding a caseload increase. The Department had indicated they expect a 10% increase in caseload. In 1972 they had a 10.4% increase, in 1973 a 7.5% increase, in 1974 a 5.4% increase. Senator Ray said by the Department's own figures in 1975 they are only going to have a 4.8% increase. To further substantiate this, Senator Ray said they transferred \$188,600 from Aid to Families with Dependent Children to the Food Stamp program.

Mary Pat Murphy, AP, entered the meeting.

Ms. Kleinkauf spoke on the new BRU, Quality Control. She said they are in support of a need for quality control reviews within the Department to reduce the error rate. She added that there are 17 new positions (permanent full time) and 1 temporary position allocated in this BRU. The BRU is intended to serve the entire department, yet 12 of the 17 positions have been removed from various BRU's within the Division of Family and Children Services. Ms. Kleinkauf stated that perhaps this is an unfair reallocation. She stated that this BRU has taken away three social worker positions and two eligibility workers.

Ms. Kleinkauf continued that the National Association feels that the area of program and service to the people will suffer in the interest of quality control. She said they do support the need for quality control -- Alaska's error rate is "out of sight." However, if something isn't done to help the workers do a better job in the first place the error rate will continue. She said what they are suggesting is that if a better in-house staff development could be done in terms of better training for the social workers and eligibility workers, much could be done to reduce the error rate.

Ms. Kleinkauf stated that the Division had requested four Social Worker IV's and 13 licensing personnel. These positions had not been allowed by the Governor's Budget Review Committee. Ms. Kleinkauf said they are requesting the finance committees' assistance in granting these positions: (1) because the existing social work staff on board can be helped to operate better if they have good, trained supervision (which they do not have); and (2) because a good supervisory staff can significantly reduce the error rate.

Ms. Kleinkauf said that the National Association of Social Workers would like to make themselves available to the legislature to assist in the revision of the staffing patterns and staffing qualifications within the Division of Family and Children Services. She stated that to this end they have been in touch with the Child Welfare League of America which would be available to study staffing and service programs within the Division of Family and Children Services. She said they would like to urge the allocation of funding for such a study.

Ms. Margaret Wolfe, Chairman of the Governor's Welfare Advisory Board, urged the committees to increase the AFDC grants. She asked their support for SB 310 and the necessary funding.

Ms. Wolfe stated there is a problem of temporary workers. She urged the elimination of temporary hires in the eligibility program and that these positions be funded at full staff level. She said they also need a good staff development and management training program.

Ms. Wolfe then spoke on a problem that has occurred in the clerical portion of the Family and Children Services Division. The Division of Personnel has made it mandatory that each division can only have one secretary. All of

the clerical positions have been downgraded. As a result the Division is losing their clerical workers. Ms. Wolfe said it is almost impossible to work without good clerical backup.

Ms. Wolfe referred to the Division's budget. She said a lot of it is "baloney but I don't know where the baloney is." She added that a good management systems development could do much to help this

Ms. Kleinkauf thanked the committees for giving the Alaska Chapter of the National Association of Social Workers an opportunity to express their views.

Representative Warwick referred to the University of Alaska contract regarding staff development. He said they had discussed this with Commissioner McGinnis. Representative Warwick said it was his feeling that the House Finance Committee was not sold on the concept but did not know what alternatives there are. Ms. Kleinkauf said she had discussed this with the Commissioner and expressed their concern that this amount of money was not resulting in good, well trained front line people. She said they had made recommendations on how this could be managed in-house.

Representative Specking suggested that a written presentation be sent to the finance committees..

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

AFTER RECESS
March 22, 1974
Friday
5:10 p.m.

Present: Representatives Haugen, Freeman, Specking. Also present was Rep. Terry Gardiner; Dr. John Yankey, consultant to the Committee on health and social services; Mr. Milt Barker, Fiscal Analyst.

Representing the Child Advocacy Board were Ms. Gail Roland, and Ms. Betsy McGuire.

SOCIAL SERVICES
The meeting was called to order. The purpose of the meeting was to hear testimony regarding the FY 75 budget for the Office of Child Advocacy.

Office of Child Advocacy
Ms. Roland, Coordinator of the Office of Child Advocacy, told the Committee that this office is charged with the responsibility of developing and coordinating a comprehensive plan for the use of public, private, and volunteer resources in order to promote optimal child development conditions for all of the children in the state and families with children. The goals of the office are to continue to assess the needs of children and their families, to expand and improve the communications among agencies and other organizations concerned with children and their families, to assist in planning, on a local level, and improving child development and family life programs, and to provide information regarding new and current programs, legislation, etc. which will affect children and their families.

Ms. Roland stated that their request is \$85,000--a maintenance figure. The Board of Directors is requesting that the administrative position for the Office of Child Advocacy be reclassified from a Range 20 to a Range 24 (Executive Director) to be consistent with existing job classifications for parallel positions. Ms. Roland stated that the Executive Director was originally approved when the program began, but there were no sufficient funds to fund the position.

Ms. Roland said that the Office is a clearing-house and a facility for eliminating duplication of effort. She explained that at present, the board has only 19 members; they are now waiting for appointments to be made by the Governor to fill out the membership.

Rep. Specking asked if the money requested will pay for the Board's travel. Ms. Roland replied that the agency people pay their own way out of their individual agency budgets; the Office of Child Advocacy pays for the rest of the people (2/3 of the Board).

With regard to Contractual Services, Ms. McGuire told the Committee that they are planning to do a needs assessment by Spring. This will determine what the needs are of the children

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in Alaska. She said they will not do another survey; there are already 28 surveys on children and their families. The Office of Child Advocacy will contract for some assistance with research people who will help Ms. McGuire put together some of the information they already have. No one has correlated any available data as yet; eventually, the Legislature and other organizations will be able to obtain information on children and their families by geographic regions in the state.

Rep. Specking asked what is done with any determinations the Board makes during its meetings. Ms. McGuire stated that the findings from the needs assessment will be distributed to all legislators, Commissioners, appropriate organizations, and the general public. She added that the Child Advocacy Board is in an advisory capacity to the Governor.

Ms. Roland told the Committee that the Office was started in July of 1972 but did not have any staffing until January of 1974.

Ms. Roland stated that the funding for this program represents money that "needs to be spent". She said she was amazed at the number of programs and agencies now in existence which lack coordination. She said that the Office of Child Advocacy is a worthwhile agency which provides necessary programs.

Rep. Gardiner asked Ms. Roland to explain what she meant by lack of coordination in programs and organizations. Ms. Roland stated that many people are unaware of programs which exist or information that is available because of lack of communication among various agencies. Ms. McGuire told the Committee that the main function of this particular type of organization is to work with those agencies (Departments of Education, Social Services, Labor, etc.) and private individuals; the objective is to get all groups together so that they might plan together.

Dr. Yankey pointed out that the Department of Health and Social Services is an "umbrella agency" which coordinates most of the child-oriented programs in the state. Some programs do exist under the Department of Education and the Department of Labor. Dr. Yankey said that the position of the Office of Child Advocacy is that the other agencies are not working together so the Legislature will fund another program (Office of Child Advocacy) to monitor all the rest. Ms. McGuire said that she questioned Dr. Yankey's use of the word "monitoring". She said that it is more of a process to get the agencies to cooperate with each other and coordinate programs together. She added that she had been unable to find any sort of comprehensive planning in this area within the Department of Health and Social Services.

Adjourn: There being no further testimony or questions from the Committee, the meeting adjourned at 5:15 p.m.

HEALTH

After Recess
4:05 p.m.

Present: All members were present with the exception of Reps. Ose, Ferguson, and Barber. Also present at this time were Dr. Jerry Schrader, Director of Mental Health, other Mental Health personnel and Joe Sonneman from Budget and Management.

HEALTH
HSS
Mental
Health

Subcommittee chairman Specking called the meeting back to order at 4:05 explaining that the Committee would now review the Mental Health budget.

Dr. Schrader said that the Mental Health budget the last few years has increased at a low percentage. 3.8% is the projected increase for this year and FY 74 increase was even smaller.

The major changes in the budget are for the Psychiatric Security Program at API, and for plans to move Alaska's mentally retarded children presently taken care of in Oregon back up to Alaska.

Mr. Specking noted the request for a credit manager at API and asked what this position is for. Dr. Schrader said that last summer following an extensive audit of the facility and extensive discussion and review the Division of Mental Health was charged with the responsibility of developing an "ability to pay" system and a collections system. Statutory requirements for those systems has been there for many years. They are now putting that into effect. They feel they need someone with collection experience in this. It turns out to be a rather complicated process and one that needs some experience other than what Mental Health can now provide.

Mr. Specking mentioned the public exposure recently over the large number of accounts unpaid at API. Dr. Schrader said that that is true but that on many of those accounts ability to pay has not been determined and so what they can collect on will really be less than what is recorded as owed. After further discussion, Dr. Schrader explained that the situation is that under statutes, patients pay under an ability to pay system. Therefore, full costs of services cannot be expected. They take the adjusted gross income plus assets, and apply a complicated formula (relating among other things to number of dependents) in order to determine ability to pay. He said that for a family of four, the actual liability is \$400 out of an annual \$15,000 income.

Mr. Haugen asked how they handle public health people. Dr. Schrader said that they would identify ability to pay and act accordingly. Mr. Haugen wondered if BIA for example wouldn't pay for some of this. Mr. McLean explained that there was a federal law passed transferring the Mental Health functions to the state of Alaska, totally. In response to further questioning, Mr. McLean said that previously the Native Health Service traditionally did not handle mental health but it was handled

through BIA or the Morningside contract. Now it is all the state's responsibility.

Dr. Yankee noted that the emphasis in Alaska Mental Health seems to be toward institutional care and he questioned this. Dr. Schrader said that the statutes set it up this way and this is one reason he is supportive of HB 549 -- it is a move away from the institutional approach.

The committee briefly looked through the API BRU's. Taking a look at Harborview, Mr. Specking asked about the positions that were requested but disallowed by the Governor. He particularly was curious about the groundsman since the last he knew of, there were no lawns. Dr. Schrader said that the grounds have now been fixed up.

Mr. Haugen asked how many beds there are at the Valdez facility, and Dr. Schrader said 144 plus the general unit attached to Harborview with 15 beds.

Meeting recessed at 5:00 p.m.

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AFTER RECESS
March 21, 1974
Thursday
7:05 p.m.

Present: Committee members Freeman, Specking, Warwick, Haugen. Also present were Dr. John Yankey, Health and Social Services Consultant to the Committee, and Mr. Milt Barker, House Fiscal Analyst; Jeff Morrison, Budget Analyst, Dept. of Admin.

From the Department of Health and Social Services: Dr. Fred McGinnis, Commissioner; Mr. Larry Sullivan, Director, Medical Assistance; Cathy Lloyd, Fiscal Officer; Dr. Dalton, Medical Services Consultant and Physician.

HEALTH

The meeting was called to order. Rep. Specking asked Comm. McGinnis to present testimony on the FY 75 budget request for General Relief Medical and Medicaid.

Medicaid

Dr. McGinnis informed the Committee that FY 74 is the first full-year operation of the Medicaid program in Alaska. A Medicaid annual status report has been prepared according to legislative mandate.

Dr. McGinnis stated that the records show that for the first half of this year with Medicaid in the picture of state general funds, the Department of Health and Social Services will be saving the state treasury \$3.590 million. For the second half of FY 74, the savings will be \$3.590 million.

Dr. McGinnis then said that the department has been doing some computing with regard to the Medicaid supplemental appropriation required for this year. He stated that it is impossible to predict how many people will be ill and will therefore receive doctor and hospital bills. At the end of last year, records show funding as generous and sufficient for Medicaid and General Relief Medical programs; departmental experience throughout FY 73 saw a lapse of \$2,198,000 in general funds in addition to \$1.5 million in reserve for cost allocation adjustment - a total of \$3,698,438. The total lapse of appropriations was \$5.6 million (state and federal dollars) plus \$1.5 million.

Commissioner McGinnis said that the Department of Health and Social Services must commit every dollar it can. The department asks for generous program but the money won't be used if it is not necessary.

The supplemental required will be \$1.5 million total (\$700,000 in federal funds and the rest state General Funds); they are completing a study now and the Governor will have a special bill dealing with that particular problem within a few days.

Commissioner McGinnis stated that the "situation is not all that bad considering the total services rendered to the state." He said that his department did not know if they will need all that money, but this matter must be dealt with while the Legislature is in session. He said it would be irresponsible not to fund Medicaid well in order to be prepared for any "crunches".

Rep. Specking told the Commissioner that with regard to the supplemental, there is a certain feeling that when the Legislature appropriated so much money, perhaps the agency could have squeezed its parameters to prevent any need for additional money. It was the intention that when the appropriation was made, the agency would stay inside of the dollar amount.

Commissioner McGinnis stated that the key is with regard to the element of possibility. In Medicaid, unless the agency has some control over aspects that they "don't have control over" (such as the amount of medical fees and numbers of people becoming ill), they will be falling short of meeting federal regulations which require specific aid coverage measures.

Dr. McGinnis said that there is no automatic "tie in" with what the program yields and what expenses are. The only change made has been Intermediate Nursing Home Care, but the state would pay more money not to have the program because it would then be carried under General Relief Medical.

Dr. McGinnis emphasized to the Committee that they are asking only for mandated options. If the department had 10 options that were beyond the mandated options, then those 10 options would be eliminated. Mandated options, however must not be eliminated, unless the program is to be shut down.

Mr. Larry Sullivan explained to the Committee that Medicaid covers categorical recipients in Old Age Assistance, Aid to the Blind and Disabled, and Aid to Families with Dependent Children. Mr. Sullivan said that nursing homes and hospitals have suddenly increased their rates in per diem by 27% and 23%, respectively.

He stated that the Department of Health and Social Services had every intention of living within the legislative mandated budget but it just cannot be done. Mr. Sullivan said that if their original request had been granted, they would not be asking for a supplemental, but they were, in fact, cut by the Governor's Budget Review Committee and by the Legislature. The department projected what they thought was necessary for the fiscal year, but they were turned down.

Rep. Specking asked if the state is operating in the same kind of framework with federal requirements in FY 75 as it had in FY 74. Mr. Sullivan replied, "yes". He said they cannot reduce the mandated services. The only option they have picked up is the Intermediate Care facility, but that is saving the state money.

Mr. Barker pointed out that the present needs projection is \$1.5 million (additional) which would put this year's needs over last year's request. Mr. Sullivan stated that they are trying to say that there are some new things on the horizon. Increases for nursing homes and hospitals have been granted. With the federal determination in eligibility for the programs, there is stricter criteria for programs which will further reduce the caseload. He added that the department is instituting a Quality Control program that will check on eligibility, and this will influence the department's budget for next year.

In response to Rep. Specking, Mr. Sullivan said that the department does not know if it will actually use the \$1.5 million supplemental; according to projections, it may be used. The supplemental is being requested simply to protect the department if the money is needed when the Legislature is not in session. He then said that they don't feel they will use that full amount.

Rep. Specking then asked how the Longevity Bonus fits in with or affects the Medicaid program. Mr. Sullivan stated that they have been granted a waiver on the longevity bonus until December 31, 1974. Commissioner McGinnis said it is official, and the state and Region X interpreted it as a waiver through 12/31/74, but they have requested a determination to make sure. Dr. McGinnis added that HR 3153 which is presently in a Free Conference Committee in Washington D.C., includes a provision which will cause the longevity bonus to be permanent waived. The impact on the program if the longevity bonus is waived as income would mean that individuals can still be eligible for Medicaid with \$100, by the individual without the \$100 won't be so advantaged.

Another provision in HR 3153 which would cause impact in the Medicaid picture by requiring fewer state funds states that for all Indians in the United States the federal government would pay 100% of Medicaid funds.

Rep. Specking asked how many people that would affect. Mr. Sullivan said it is difficult to predict because it would be only for those that "cross over" to the program. They do project, however, approximately an 18% cross over.

Dr. Yankey then referred to the Early Development Periodic Screening and Treatment Program. Mr. Sullivan stated that \$238,000 was used for screening. The \$88,000 was an increase that the department expected in the screening program. He said that the number of children served has tripled in the screening process. Six hundred children were screened in January alone.

Dr. Yankey then asked how many nursing homes the department had. Mr. Sullivan said that there are 6 "free-standing" nursing homes and two attached to hospitals...a total of 8. Mr. Sullivan said that the ceiling rates had been lifted and rates increased immediately after that. The average nursing home rate is \$36/day for cost and runs as high as \$44/day.

Mr. Sullivan stated that there is one nursing home that is a complete Intermediate Care Facility; another nursing home is a skilled care facility; the remaining nursing homes are a combination of intermediate and skilled care.

Mr. Sullivan stated that the average cost per day for skilled care is \$36 while the average for ICF is \$27.

Mr. Sullivan stated that Blue Cross of Washington and Alaska established the rates for all homes. Dr. Yankey asked if any increases were anticipated for 1975. Mr. Sullivan said that they hoped not; facilities' rates may go up or down a few cents, but this last increase should be maintained for a long period of time.

Dr. Yankey then asked what results the department had seen since the ICF program had been in effect. Mr. Sullivan stated that it has reduced the number of days for patients to be under skilled nursing care. There is a projected savings for FY 74 of about \$400,000.

Dr. Yankey then asked if the department was able to move many people back to their homes and communities because of the ICF program. Mr. Sullivan said that 26 patients were sent home.

Mr. Sullivan then said that they require pre-authorization for all nursing home admissions. The doctor must submit a complete medical history of the patient. There is a guarantee of seven days' care. The nursing homes are "locked" if the documentation for admission is not submitted within a specified time.

Dr. Yankey asked how much of a savings the department can project for next year. Mr. Sullivan said that it may be the same as this fiscal year's savings (\$400,000) or less.

Dr. Yankey stated that an annual medical review is now required in every state. He asked if the Department of Health and Social Services is adequately staffed to do this job done. Mr. Sullivan said that they were adequately staffed and that they were commended by Region X for their medical review. Those employees involved with the review are: Dr. Dalton, contract-hire; Juneau nurse who travels with the doctor; social worker.

Dr. Yankey then referred to Page 81 of the shortform for Health under Medical Assistance, Medicaid. He stated that a portion of the narrative read "Inflation at 6% as permitted under Phase III--\$417,700." Mr. Sullivan stated that the Governor's Budget Review Committee allows a cost-of-living allocation of 5%, and the nursing homes and hospitals can increase their rates at 6% over the year without permission of the Cost-of-Living Council; this BRU was inflated by that amount.

Rep. Warwick asked if rate schedules were used for paying costs of medical services. Mr. Sullivan replied that they did use

rate schedules or "fee" schedules, which have been hotly contested. Mr. Sullivan said that federal law says that they can pay up to Medicare rates. It was Mr. Sullivan's opinion that the fee schedules are unreasonable but they are mandated by law. Mr. Sullivan said that a doctor will take a Medicaid patient because he is guaranteed payment. The fee schedule is 83% to 85% of what the doctor might charge. Dr. McGinnis stated that over 310 physicians and every hospital in the state are participating. Mr. Sullivan then told the Committee that the routine every-day office call for the average doctor under this fee schedule would be \$11.10.

Rep. Specking asked if there is a backlog of bills--or is the state paid up. Mr. Sullivan said that they are getting a "fifteen-day turnaround". There are bills which are being submitted now from prior years, but the current billing is up to date. He stated that for services rendered in 1970 they received some bills just within the last few days. (The bills were General Relief Medical.) Mr. Sullivan said that the bills being submitted (those two to four years old) are legitimate and have the appropriate coupons, which are dated properly, attached.

Dr. McGinnis then told the Committee that the Department of Health and Social Services is submitting legislation this year to the effect that services rendered under Medical Assistance must be presented for payment within 60 days unless the insurance claim has not been processed; in that case, the time limit would be 60 days after the insurance claim is received.

Discussion then followed regarding the use of brand-name drugs over generic drugs. Mr. Sullivan said that they presently use brand-name drugs. They would like to see the HEW rules and then discuss whether requiring generic drugs would be applicable to General Relief Medical. Mr. Sullivan admitted that there is a considerable mark-up on brand-name drugs. He added that they have curtailed their program to prescription drugs only. He said that during the next Legislature it may be possible to use generic drugs.

Dr. Yankey questioned Mr. Sullivan about any possible over utilization of drugs. Mr. Sullivan stated that they have picked up one or two cases of over utilization and have corrected the situation. He stated that one pharmacy overcharged them \$2 or \$3 a prescription. The department collected the money due them and the Pharmaceutical Association has removed that pharmacy from the association; the department also has eliminated the pharmacy from the Medicaid program.

Dr. Dalton then explained to the Committee that generic drugs are chemically the same as brand-name drugs but are put out, (for example) by a company under a lapsed patent. The brand-name drugs are marketed by a specific company. Generic drugs are the same and are made in all countries; they are much cheaper than brand-name drugs. He stated that most doctors prescribe brand-name drugs, possibly because of pharmaceutical advertising.

He said that the main argument now is that brand-name drugs assure a higher quality of medication while generic drugs lack in this quality control aspect; he stated that the argument now shows people in favor of the generic drugs because of their low cost.

If the state does begin to use generic drugs, Dr. Dalton said he is sure that they will hear objections from doctors and pharmacies because the state will be telling them what drugs to use.

Rep. Warwick asked how much they were spending on drugs under General Relief Medical this year of the \$2.8 million. Mr. Sullivan replied that they were spending \$266,000.

Rep. Specking then referred to a news article from the Anchorage Times which pointed out a difference between numbers of digits in the computerized diagnosis. Dr. Dalton explained to the Committee that the diagnosis registry column of the computer has only three digits. The standard book of diagnoses uses a five-digit code, so the department took only the first three numbers and then lumped certain categories under them. Dr. Dalton said that when the medical review is made, it is thus impossible to determine the exact diagnosis and/or of the treatment administered was necessary. Mr. Sullivan told the Committee that there is not a serious amount of conflict in this area.

Mr. Sullivan then said that the Legislature said that if the department provides drugs under Medicaid, they would have to provide all medication to the Indians of Alaska. This would cause Native services (federal) to cut back. Mr. Sullivan then said that with the drug program in General Relief Medical, they are not providing medication to Native recipients. He said he had not given any thought to additional services because of what it might entail in the cost of the Native population concerned.

General
Relief
Medical

The Committee then considered the General Relief Medical budget for FY 75.

Mr. Sullivan told the Committee that this program is for people who meet the financial criteria but cannot meet the physical characteristics criteria.

Rep. Specking noted that the budget is \$104,000 over last year. Mr. Sullivan said this is due to the inflation factor.

Dr. Yankey asked about the disability definition of SSI with regard to this program. Mr. Sullivan stated that there could be serious impact on the program with the SSI determinations. The federal definition of disability states that if a person is eligible to work, the worker does not have to be at a specific geographic location.

Dr. Yankey then asked Mr. Sullivan if they would approach the Legislature to do away with General Relief Medical and go with

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the medically needy if HB 3153 passes in Washington (causing 100% federal funding for the Natives). Mr. Sullivan said that they would not because the medically needy, tied to categorical rolls, are over the income level. The impact of HB 3153 would not have an impact on GRM because the Natives are not eligible for GRM.

The Committee then considered Administration & Support.

Rep. Specking noted that the Governor disallowed two of the four requested positions. Mr. Sullivan stated that the Governor had disallowed an Information Officer II; they have one on contract now who is responsible for the Medicaid report and for a Medicaid bulletin which is mailed to providers, and for distributing materials out to recipients. The EDP Programmer I which was disallowed by the Governor is needed to develop new information that is available under Title 19. They have a Programmer on board now doing computer work and obtaining federal reports, which takes all his time.

Mr. Barker remarked that he thought the computer system development could be 90% reimbursed by federal funds. Mr. Sullivan stated that there are certain specifications that must be met and present regulations are not written which will qualify the computer system development for reimbursement.

Rep. Specking asked what sort of federal program would fund the Information Officer. Mr. Sullivan stated that Dr. Dalton and his staff under the Medicaid program had 75% funding for their salaries. The rest of the administrative staff is funded at a 50% match. The match for Medicaid's program will continue as long as Medicaid continues in Alaska.

Regarding the Clerk Typist positions that were allowed by the Governor, Mr. Sullivan stated that when the budget was developed at the beginning of the Medicaid program, no allocation was made to provide the liaisons between the division and the medical division with clerical services. Temporary help borrowed from other areas in the department is being used as clerical support at present.

Mr. Sullivan said that the only unfilled position at present is the Chief of Claims Processor; the employee who filled this position resigned just one week ago. Mr. Sullivan said that other than that position, they are up to full staffing capacity.

Discussion followed on children in custody, or wards of the court, who should be under the Medicaid program. Mr. Sullivan stated that now costs must be paid out of General Relief Medical, but they feel that Title 19 should pick up those costs.

Commissioner McGinnis stated that legislation is in the hopper now regarding this issue. He said that the department has

been working with the Medicaid program and Region X, and they have decided upon the final wording for the legislation. Dr. McGinnis said that tomorrow a Committee Substitute for the bill will be submitted.

Rep. Freeman asked how much money would be saved from putting these children under the Medicaid program. Commissioner McGinnis replied that there would be a savings of approximately \$40,000.

Commissioner McGinnis told the Committee that there is another bill submitted dealing with optometric care; the department computes that it will cost about \$30,000 per year. The bill is not sponsored by the department but by Senator J. Harris.

Rep. Specking asked if there were interagency charges when the Department of Administration provides data processing for the Department of Health and Social Services. Mr. Sullivan replied that there are charges of \$82,000.

Mr. Roger Lang told the Committee that there is no 90% match allowed to date for data processing.

Discussion followed regarding mental health in connection with Medicaid. Mr. Sullivan said that Medicaid money would not be used for Mental Health. There would be a cost savings; 50% of services rendered would be federally funded.

Ajourn: There being no further business at this time, the Committee adjourned at 8:30 p.m.

After Recess
1:40 p.m.

Present: Present were Representatives Saylor, Warwick and Specking, Dr. John Yankee, and from the Division of Mental Health, Dr. Schrader and Mr. McLean. Also present was Budget and Management representation.

Subcommittee Chairman Specking called the meeting back to order at 1:40. He requested Dr. Schrader to give an overview of Harborview's activities.

HEALTH
HSS

Mental
Health

Dr. Schrader said that Harborview was built following the Earthquake. At that time the decision was made to consolidate the facilities for the mentally retarded and to include hospital beds previously owned and operated by the City of Valdez. The residential portion is what Mental Health is primarily involved with. Over the years that center has been developing a comprehensive educational training program for the mentally retarded. The age range at the facility is approximately 10 to 45.

There are a number of new position requests in this budget. They included the groundsman, mentioned yesterday, a person to help with the educational center (most of the resources of that center are provided by the borough but they need someone to keep track of materials and "bird-dog" the operation), and someone to oversee the camp operation. He explained that over the last two or three years they have built a camp - a summer facility for the retarded people which was built by the patients and staff together.

Mr. Specking expressed his surprise that they requested a full time camp director when the camp is a summer facility. Dr. Schrader said that they are trying to make it into a full year facility. They have it built so that it can be used for winter as well as summer.

Mr. Specking noted the request for two housekeeping aides, and asked why they are needed. Dr. Schrader said that part of the reason is that there has been a gradual increase in population over the years but, also, they have opened up a rehabilitation station and maintenance building.

[Mr. Saylor entered the meeting.]

After reviewing the different elements of the Harborview BRU (details of which are written up in the red budget books), the committee took a look at the Psychiatric Security BRU. Dr. Schrader said that for many years the mentally disordered offenders have been to some extent treated at API, but the program has not been adequate as far as security goes to handle dangerous people. There is a facility being constructed in 1975

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to handle these. Because it is not yet constructed, the Governor failed to fund the requested positions.

After brief discussion on the three regional centers, during which time Dr. Schrader reemphasized his hopes for passage of HB 549, the committee took a look at Administration and Support. Dr. Schrader said that looking back over the history of the Mental Health Division, one finds that 10 years ago they had 10 positions in this particular BRU (Administration) and now they have 9.

Meeting recessed at 2:45 p.m.

After Recess

2:50 p.m.

Present: Present at this time were Reps. Freeman, Saylor, Haugen, Meekins and Speckings. Also present were Dr. Freedman, Director of the Division of Public Health and members of the Public Health staff. Present too were Dr. John Yankee, Finance Committee consultant, members of the staff and Budget and Management.

The meeting was called back to order and Dr. Freedman was requested to make a brief statement on his Division budget.

HEALTH
HSS
Division
of Public
Health

Dr. Freedman said that this is a maintenance level budget and there are no new programs this year. There are several new positions however. The first has to do with Nursing. In Nursing, many of the services involved in each of the subsequent programs are ones provided through present Nursing staff. One of the changes has to do with the Early and Periodic Screening for Diagnosis of Treatment. This is a new responsibility the Division has taken on through contract with Medicaid. The public health nurses do the screening examinations of children and make appropriate referrals to physicians. A number of new positions are due to this.

In Prevention and Treatment of Disease, Dr. Freedman pointed out that in the TB program there are a number of reductions in positions and cost. They have found that they can reduce costs and still maintain an effective program.

In Environmental Health, Dr. Freedman noted that they are requesting another Sanitarian position for the Seafood Sanitation program.

In Child and Family Health, Dr. Freeman noted that Crippled Children's program is shown as about \$80,000 over the 1974 authorization. However, he observed that this is still almost \$100,000 short of the actual expenditures made in 1973.

In the Laboratories budget, Dr. Freedman referred to a letter to the Chairman having to do with the Rabies/Virology laboratory services. The letter indicates how essential it is that these services be provided. These services were previously provided by the Arctic Health Research Center in Fairbanks, and were funded by federal monies. With withdrawal of Federal funds this year, the Center was ordered to close. However, there were contractual services requested by the Department in the amount of \$30,000 for contracting with a Seattle laboratory. Now the possibility has arisen of maintaining the Rabies/Virology services at the Center. The Center for Disease Control (Public Health Service) has indicated that they will provide funds for positions if Health and Social Services will operate the laboratory. Therefore, they

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are requesting that the money they had requested for contractual services be used instead to continue operation of the Center.

In Health Program Support, Dr. Freedman said that there are two new positions requested for Health Education. One is a School Health Education Specialist. This is the second year they have made this particular request. They have also requested a Clerk Typist III.

Mr. Specking, subcommittee chairman, next requested that Dr. Freedman and his staff go through the budget by BRU.

Nursing

In Nursing, Rural Nursing, there are six new position requests. One of these is a Clerk Typist in Bethel. Mr. Specking asked how many people they have in Bethel now. Mrs. Crawford said that they have nine professional and three clerical. This is an area where their staff has had to accept a great deal of responsibility for patients' travel.

Dr. Yankey asked about the program service aides. Mrs. Crawford said that these are paraprofessional local people who are hired to assist in carrying through the nursing services. They receive in-service education and participate in a variety of services. There was questioning on the funding. Mrs. Crawford said that some of these are Inter-Agency funded, with funds transferred from Medicaid in the Early Screening and Family Planning programs.

Dr. Yankey asked if public service recipients in Alaska would be able to do the work of Program Service Aides. Mrs. Crawford said yes, that some of their present aides are from public assistance programs.

In General Nursing, Mr. Specking requested a rundown of new positions. Mrs. Crawford said that these relate to the positions authorized by Budget and Audit for Early Screening, with the exception of the Family Planning position in Fairbanks. They have also requested that one part-time nursing position be increased to full time.

There was considerable confusion as to funding of some of these positions, listed as Inter-Agency funded. Finally it was explained that funding is in Medicaid and is 50-50 state/federal money for Early and Periodic Screening. Some of the money under this program is then transferred to other programs, such as General and Rural Nursing. There is a general fund cost to these programs, but it does not show up in these other programs. It shows up in the Medicaid budget and is identified there.

In Home Health Services there was a requested Public Health Nurse Trainee, which was disallowed by the Governor. Mr. Specking

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asked the purpose of the program. Mrs. Crawford explained that they have people for whom it is better that they receive certain types of care in the home rather than in a hospital.

In Administration and Support, there are three new positions. Mrs. Crawford said that the Nurse Training Coordinator and the Clerk Typist II were approved under Budget and Audit under Early and Periodic Screening. They are requesting the Coordinator position to be increased to a full-time position. It is a very demanding position since it has the responsibility for developing, organizing and training. She noted that they are also having students assigned to them from AMU and some of the other schools. They feel very strongly that they need this position to be full-time in order to handle the workload. The Clerk II is a 9 month position and they ask that it be increased to full time, also. The position is for their divisional office where they have one Clerk Typist III trying to handle the workload of three people.

Mr. Barker asked why the two positions that are only funded part-time cannot be funded full time by the Early Screening program and Mrs. Crawford said that they cannot because they will not be used only for that program.

Dr. Yankey noted that several of their services relate to family planning, and he wondered if they get Title XIX or IVA money. Mrs. Crawford said not at the present time. As far as IVA goes, there is a ceiling on those funds and they have already committed themselves to their ceiling. As far as Title XIX goes, she was uncertain.

Mr. Specking asked if the state is making a strong effort in the area of family planning and Dr. McCabe said yes. Mr. Specking said that it is his belief that the only way to reduce the numbers of people in some of these programs is to reduce the size of these families. Dr. McCabe explained that the main thrust of the Family Planning program is to improve the health of mothers and children and not to reduce numbers of children. Mr. Specking asked if they go out and make an effort to educate these people, and Dr. McCabe said that he wouldn't say that they really do. They try to stay away from that. For one thing, he said that it is difficult to impose that kind of ideology on someone else unless they are receptive to it. Many people, and particularly minorities, may object to that approach. Mr. Specking felt that perhaps the same effect could be reached by a subtle approach. Here Dr. Freedman noted that the last several years there has been a reduction in live births and size of families, so part of this has been achieved.

Prevention & Treatment of Disease Going on to Prevention and Treatment of Disease, in TB Control, there is a decreased request. Mr. Specking asked if they expect to continue decreasing and Dr. Freedman said yes. Mr. Barker

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CORRECTION

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

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Prevention & Treatment of Disease Going on to Prevention and Treatment of Disease, in TB Control, there is a decreased request. Mr. Specking asked if they expect to continue decreasing and Dr. Freedman said yes. Mr. Barker

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noted that there are seven professional and nine clerical positions and he wondered about that ratio. Mr. Larry Brown explained that a great many of the functions of the state surveillance program can be accomplished by clerical help and so they have been able to reduce the number of higher paid professional staff and hired lower paid clerical personnel.

In Community Health, Mr. Specking noted that three of the four requested positions were approved by RP's. Mr. Brown said that two of the new positions are for the VD Control Program. One is for a position in the Fairbanks Health Center where there is a VD Investigator which is a Public Health assignee. The other one will be in Anchorage. The other position is in Immunization and would be used to fill in in areas where for a temporary period there is no nursing service available and there is the possibility of immunization levels dropping. This would be a mobile position.

Mr. Specking noted that there is a large increase in contractual services, and he asked what that is for. Mr. Brown said that a couple years ago the borough contracted with the Center for Disease Control to do a gonorrhea impact study. This contract lasted for a period of two years. After that the study was completed and the borough requested federal assistance to continue the VC program. The Center for Disease Control indicated that rather than deal directly with the borough they would like to channel their resources directly through the state and have the state work with the borough.

Dr. Yankey said that in looking at some of the narrative documents, the Division was stressing greater demands for nutritional health. He said that the committee has heard testimony from the Office of Aging on amounts of money starting to be generated there for their own nutritional study. He asked if the two agencies have gotten together. Dr. Freedman said that they have and they have been trying to work together to figure out how they can join forces.

In response to questioning by Mr. Barker, Mr. Brown said that historically the money that has been spent for VD control has been very small. The Division has therefore not been able to concentrate very heavily on the gonorrhea problem in the state although they have done a fair job with syphilis control. They have not been funded up to their requests for VD control money. There was continued discussion on the VD problem in Alaska. Mr. Meekins expressed his concern about these diseases which are second only to the common cold in numbers of cases, and he wondered if their request is sufficient to deal at all effectively with these diseases of such epidemic proportion.

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Mr. Haugen referred to HB 429 and said that there was testimony of the floor of the House that this would not cost any additional money to the Division of Public Health. He said that he sees fewer sanitarians around now than he did several years ago and so he wondered how it could be that they could carry out this bill without additional funds. Mr. Heiderseorn said that he admits there are already not enough sanitarians to do the job. The fiscal note for the bill was based on the fact that it does not require any new positions or funding, however. They feel they would not ask for or need additional sanitarians to do the policing for this bill. Mr. Haugen asked how many sanitarians there are now in Juneau and he was answered two. He stated that he feels the standards for operation now are very low.

In response to questioning about the total amount being spent for VD control, Ms. Sue Fleischauer said approximately \$127,000. After continued discussion, Mr. Brown said that he does think that with the VD problem in Alaska it will be solved with the money they have right now. In fact, were it not for federal monies, there would not be much of a program at all.

There was a brief recess at 3:55.

HOUSE FINANCE COMMITTEE

March 22, 1974

4:00 P.M.

PRESENT Representatives Specking, Freeman, Haugen, and Meekins. Department of Health and Social Services people were still present.

HEALTH Mr. Specking, Chairman of the Health Category of the budget, called the meeting back to order and said they would continue with discussion of Environmental Health.

Environ- Dr. Freedman said that it was essentially a maintenance budget except mental Health for the additional Seafood Sanitarian.

Mr. Sydney Heiderseorf explained that they didn't have a Seafood Sanitarian in Southeast itself. He said there were two in the whole state. However, he added there were other general sanitarians in other areas of the budget. He thought they should realize the need for emphasis on the Seafood Program. They are presently making efforts to become part of the National Shellfish Sanitation Program, and they need more sanitarians to oversee this. This is why they have put in for an additional Seafood Sanitarian to cover Southeast Alaska up through Prince William Sound.

Mr. Haugen was concerned about the project to get commercial production of clams. He asked if they realized how long they have had that appropriation. Mr. Heiderseorf said that project had been going on, and he added that there was no where in Alaska where they could ship clams on a commercial basis out of the State.

It was Mr. Specking's understanding that Cordova was approved. Mr. Heiderseorf told him that Cordova was approved for consumption within Alaska. In order to ship interstate, they must become a part of this National Shellfish Sanitation Program.

Mr. Haugen said it took six years to get to this point.

Mr. Heiderseorf continued saying that as soon as they are accepted into the programs its a requirement that an agreement be signed between Health and Social Services, Fish and Game, and Public Safety.

Mr. Specking commented that things didn't appear to be moving very rapidly. Mr. Heiderseorf explained they had a continuing program of servicing clam beaches plus all shellfish programs. He said they were required to monitor these beaches. Mr. Haugen said that would come out as far as he was concerned. He thought there were too many clam programs in too many places. Mr. Heiderseorf replied that this was the only way they could get into commercial production.

Mr. Specking said that some of the packers have expressed concern about some of the packs that come in. He asked if they did anything in this arena. Mr. Heiderseorf said they were responsible to sanitation in relation to seafood processing. He said, however, that they don't have people to oversee it like it should be done.

Mr. Specking asked how often they put somebody out of business for violating environmental health. Mr. Heiderseorf said they didn't put people out of business. He said it was their responsibility to see that the product be embargoed. Environmental Health people usually make many inspections, and when they take action it is usually after many repeated violations. They try their best to work with the operation, and take legal action as a last measure.

Mr. Haugen was sure they had appropriated for three or four Seafood Sanitarians a couple of years ago. Mr. Heiderseorf said that other sanitarians do some seafood inspections.

Early
Screen-
ing

Mr. Specking said they would go on to discuss Early Screening. Mr. Specking said they didn't have this last year. He wondered where it had been. Mr. Milt Barker explained that it had been covered under RP 74-57, and was 50% General Fund and 50% Federal financing. He said the funds were all shown as Interagency receipts from MEDICAID, but that was 50/50.

Child &
Family
Health

Mr. Specking said they would go on to Child & Family Health, Maternal and Infant Care. He asked for an explanation of the \$60,000 transfer to Grants. Mr. Tom McCabe, Director of Child & Family Health, said that money represented the fact that last year they showed some of their grants in contractual. He said it was a matter of deciding which line item to show it in.

Maternal
Infant
Care

Mr. Meekins noticed they lost \$15,000 worth of federal receipts and increased the General Fund by \$22,000. Mr. McCabe didn't know the answer to that. To his knowledge, they didn't lose any federal funds.

Ms. Frances Fleek said this was a funding factor throughout the budgets. Last year all federal receipts were inflated somewhere between the time they did the budgets and the time they came back to them.

The Division people said they would research the matter and send them a memorandum to explain it.

Crippled
Children

Mr. Specking said they would go on to the Crippled Children portion. He noted there was an increase of \$50,000 to bring the budget up to the actual level of expenditures. He was referring to Contractual which was actually \$60,000, but they had explained that \$50,000 was to bring it up to actual expenditures. He asked where the other \$10,000 was.

Mr. Meekins said that \$10,000 of that would be inflation.

Dr. Yankey asked how many of the children they would be serving would be coming from MEDICAID eligible families. Mr. McCabe replied perhaps 15%, and said that when a MEDICAID eligible child is covered, his care is paid for by MEDICAID funds.

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ld
Study
Centers

Mr. Specking took them on to Child Study Centers.

Mr. Haugen asked what they did.

Mr. McCabe replied that the Center at Anchorage, the Alaska Treatment Center, evaluated children to determine or rule out mental retardation, and if the condition is found, they implement treatment for the child.

Mr. Specking asked why this wasn't under Dr. Schrader's Division of Mental Health.

Dr. Freedman pointed out that many parents who have children not developing normally bring their children to the Treatment Center. He explained that the Center was to diagnose any youngster, and the child is studied from every point of view, just just from that of mental health. He said that most of the children did not turn out to be mentally retarded.

Registry
of Human
Impair-
ments

Mr. Specking went on to Registry of Human Impairments.

Mr. McCabe explained that this program was established by Statute in about 1969, and funded in 1970. The broad purpose of the program is to develop a registry which is basically a list of people with human impairments. Its purpose is to assemble information about handicapping conditions in Alaska so that services to those so registered will be provided. In FY 1971 funds were allocated to support an Alaska cancer registry and hearing handicap registry. An Actual Registry for Human Impairments was established in 1973. The registry has been designed to be compatible with the Health Information System so that no changes will be necessary when the latter is implemented.

Labora-
tories

Mr. Specking said they would go on to discuss Laboratories. Dr. Paul Schaaf, Director of Laboratories, was present. Mr. Specking noted that three new positions had been approved by the Governor.

Dr. Schaaf said that one position was a Clerk Typist position for the Fairbanks Labo. They are experiencing a terrific increase in services and require a lot of statistical support. They have only one clerk typist at this point. The other two positions are in Juneau--a Chemist and a Clerk Typist for support of the Occupational Health Service. This is a laboratory service they have been requested to provide to the Dept. of Labor to prevent duplication of services.

Mr. Haugen asked if they were paying \$42,800 a year rent at the Southeast Regional Laboratory. Dr. Schaaf said that was correct.

Dr. Freedman said they were paying 70¢ a square foot per month, which he said was the going rate for office space, so the cost was reasonable. He said they occupied the whole building.

Dr. Freedman referred to the letter to Mr. Freeman from Commissioner McGinnis dated March 22 regarding the Rabies/Virology laboratory services for FY 75.

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Dr. Schaar pointed out there was \$30,000 in the budget for contracting outside the state for Rabies Virology laboratory services. The basis was the federally ordered closure of the Arctic Health Research Center in Fairbanks due to withdrawal of Federal funds. This spelled the loss of the services which have been provided at no cost to the state by the Rabies/Virology Laboratory. They were, therefore, to try to contract for minimal rabies/virology laboratory services in Seattle since there were no other comparable facilities available in Alaska.

Dr. Schaaf went on to say that within the past four weeks, new developments indicate the possibility of maintaining the Rabies/Virology laboratory services for FY 75 at the Arctic Health Research Center. The Center for Disease Control (Public Health Service) has indicated that they will provide funds (approximately \$40,000) for two positions (virologist and biolaboratory technician) for FY 75 if the Department of Health and Social Services operates the laboratory. The University of Alaska now has the Arctic Health Research Center building and laboratories and is willing to rent the complete virology suite to the Department. Therefore it is requested that the Laboratories BRU be allowed to utilize the dontractual money, now designated for services in Seattle, to continue the operation of the Rabies/Virology Laboratory at the Arctic Health Research Center. This has been cleared with the Governor's Office.

Dr. Schaaf summarized saying the \$40,000 in Federal funds plus the \$30,000 in State funds will provide the operational money and staffing for this laboratory for FY 75. When the Federal funds are received, a budget revision will be submitted for approval by the Legislative Budget and Audit Committee.

For Alaska, it is essential that rabies/virology laboratory services be continued in order to expedite rapid treatment and control of highly infectious viral diseases such as rabies, viral encephalitis, and poliomyelitis. These and other viral diseases present in Alaska, if not diagnosed quickly, may be crippling and are frequently fatal. Without these services in Alaska there would have been serious delays of 10 days to three months, or possible loss of specimens, if the work had to be shipped outside. In some cases it would have been difficult or impossible to ship the specimens.

Certifi-
cation &
Licens-
ing

Mr. Specking said they would go on to discuss Certification and Licensing. Ms. Anna Wenzel was present to testify.

Ms. Wenzel said that her program is 91% federally funded. There are four very distinct activities: 1) Certification of facilities as eligible for Title XVIII (Medicare) Program through instructions given by Social Security Administration, Bureau of Health Insurance; 2) Certification of Skilled Nursing and Intermediate Care Facilities to the Division of Medical Assistance, Department of Health and Social Services, as eligible for Title XIX (Medicaid) participation; 3) licensing of hospi-

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tals and related Health Facilities per State law; 4) Certification to the Department of Community and Regional Affairs of hospitals and certain Health Facilities eligible for Revenue Sharing. She said that comprehensive and performance oriented surveys of all providers must be done on at least an annual basis.

Ms. Wenzel said that up until now it has been 100% State funded, but because of the enactment of the 1972 amendment to the Social Security Act, it was decided it was better to utilize the administrative set-up already established then to set up another set-up.

Mr. Haugen asked if there was any chance of losing federal participation. Ms. Wenzel said no, unless they stop taking Social Security money out of MEDICARE. The 50% State sharing would be for administrative costs, etc.

This concluded the meeting, but Mr. Haugen asked for a figure on how much money was being spent in the clam program. He was told he would be supplied with it.

Mr. Specking asked whether there would be any merit to have a meeting between all of the participants in the different clam programs. It was decided that it would be a good idea to set one up.

RECESS

Meeting recessed at 4:55 P.M.

DNR

NATURAL RES.
FISH &
ENVIRONMENTAL
CONSERVATION
FISH AND
GAME

Following the brief at ease, Chairman Haugen noted the presence of the Fish and Game personnel and requested that they introduce themselves. Present were: Mr. Vern Roberts, Director of the Division of Administration; Bob Roys, Director of FRED; Bob Burnett, Chief of Information and Education; Alex McRea, Chief of Hatchery Services; Carl L. Rosier, Director of the Division of Commercial Fisheries.

Mr. Haugen turned the meeting over to Mr. Barber, subcommittee Chairman for Fish and Game.

FRED

Mr. Barber said that the budget review for this department would start with the Fisheries Rehabilitation, Enhancement and Development program (FRED). Mr. Roys is the Director of FRED, and he passed out copies of a report on the past year's activities, giving a detailed description of each program and its progress. He noted that the Division is organized into three budgetary categories: Development, Anadromous, and Administration and Support.

Mr. Roys said that the budget request for 1975 in Anadromous Fish is influenced by several major factors. One is the addition of several hundred thousand dollars in capital improvements for this year. Several of the supplementary systems being constructed from these capital funds will be going into operation in FY 75. They are moving ahead rapidly in design and site selection.

Mr. Barber asked how far they are on Kasilof, and Mr. Roys said that they have 32 incubators connected up now and have eggs in 16 of them. Their goal is for 60. They have all of them on hand but they are not hooked up.

Mr. Roys said that as the Anadromous program expands and some of these systems are coming on the line, there is some staffing that the division feels is very important. He specifically noted that there are numerous maintenance mechanics requested in this budget, and stated that this is becoming a very important factor in all of these supplemental systems. There are several other positions requested, and he mentioned the position of a Biologist IV in Juneau. Justification for this position is that presently all projects in Southeast are handled by Mr. Roys himself or by the Deputy Director.

In response to questioning about the Georges Inlet Incubation System, Mr. Roys said that they are in the final stages of negotiation for acquiring the old cannery down there. In answer to questioning by Mr. Haugen, Mr. Roys said that first choice for a building at Georges Inlet was the warehouse, but they are getting the cannery building instead. He said that the energy crisis has really affected the availability of pipe, plastics, etcetera, and particularly with pipeline construction imminent, it is going to

get very difficult to continue with these projects.

Mr. Roys said that they have two stream gauges in operation now to check for possibilities of incubation systems -- one at Humpy Creek and one at Prince William Sound. These are looking favorable. Another is at Takaluk Lagoon near Homer and it looks good, too.

There are three estuarine rearing systems, one at Little Port Walter, the second at Sitka, and the third at Halibut Lagoon. He continued briefing the committee and answering questions on all the various projects, all of which is contained in the report.

They are estimating in FY76 that the whitefish program will be taken out of Anadromous Fish and placed in management research status.

[Commissioner Brooks came in.]

In Clam Development, Mr. Roys said that they finally are receiving certification for shipment of razor clams to outside markets. They are in the final stages of developing a cooperative agreement with the FDA. Mr. Roys said that he would guess that by the end of the year Alaska's razor clam beaches will be certified for shipment of fresh and frozen clams to outside markets.

Mr. Haugen asked the reason for the continued struggle with the whitefish. He wondered if they have any commercial value. Mr. Roys said that the market is opening up. There was a buyer last year buying all he could get. Mr. Haugen wondered why then it is in Anadromous Fish rather than Commercial Fish, and Mr. Roys said that they are planning to move it into Management.

There was further project discussion and then Mr. Barber said that they would begin going through the budget by category.

Mr. Barber noted that there is a tremendous increase in the Anadromous Fish category. He asked about the personal services increase, from \$607,300 to the maintenance request of \$894,100 (Governor's Allowance - \$846,900). Mr. Roys said that in Juneau they are requesting a fisheries technician for the Juneau Estuarine Rearing project. They are requesting a Fisheries Biologist IV to handle projects in the Southeastern Region. They are requesting maintenance mechanics to handle the various projects. They are requesting a Fisheries Technician to operate the Big Lake Incubation System and one to be responsible for operation of the Snake River.

Mr. Specking inquired about the Construction Engineering Assistant position in Anchorage and what he does. Mr. Roys said that he is involved in the engineering aspects of the projects. They have established a team of engineers in the central region able to carry

Mr. Warwick asked what kinds of fluctuations can be expected once that level has been reached. Mr. Brooks said that if production is up around 100 million he would expect between 75 million and 125 million. Mr. Warwick asked what year the 130 million harvest was, and Mr. Brooks said 1970.

Mr. Warwick asked which is the heaviest salmon population, and Mr. Brooks said pink salmon. Mr. Warwick asked what the potential harvest is on that and Mr. Brooks said 50 to 70 million. Mr. Warwick asked the population rating on the other types and Mr. Brooks said after pink salmon, red, then chum, silver, and finally, king.

Mr. Roys mentioned that the Gulf of Alaska is one of the best marine pastures in the world and is potentially very valuable in terms of salmon production, particularly with implementation of various kinds of technological advancements. He mentioned that the entire chum salmon production in Japan comes from hatcheries, and he mentioned that Japan, British Columbia, and other Pacific areas have been doing a great amount of research and that the Anadromous program is beginning to apply some of that to Alaska. He observed the reduced mortality rate in eggs when they are incubated as one example of how technology can increase the production and potential of an area. For this reason, he feels that the Gulf of Alaska's great potential as a marine nursery would lead him to make an estimate of considerably more than the 100 million Commissioner Brooks had just made.

The Commissioner commented that he and Mr. Roys have discussed this matter at length, and that Mr. Roys feels production should be able to go in excess of 200 million, given good environmental conditions. Mr. Brooks said that given good luck, he agrees with Mr. Roys, but feels that realistically, something always seems to interfere.

Mr. Roys said he wanted to make one last point as far as long range production, and that is that he thinks everyone realizes that agriculture is an important part of a stable economy. When you look at Alaska, you see that this is extremely limited in Alaska, being only feasible in certain areas. However, if you think of "aquaculture" as a form of agriculture -- especially considering the increased protein demand in the world -- the position of Alaska in the economy is much more stable.

Mr. Specking asked what has been done on the Snake Lake system, and Mr. Roys said that they have had some very intensive investigations and they have been monitoring the temperature of the inlet streams. Several agencies are cooperating on this. National Marine Fisheries has three of their key sockeye specialists in there. He said that they are "tearing the system apart" to understand what is happening. He noted that in the budget document there is a request for \$600,000 for second phase Snake Lake. He said that they are in the process of preparing another report on Snake Lake and it should be available within three weeks.

Mr. Specking asked if anything has been built there yet, and Mr. Roys said no, but that Highways has built the road. Commercial Fish renovated two structures at the outlet of the lake, but FRED has built nothing yet. It is all in the design stage.

Mr. Haugen asked what portion of the first \$600,000 they have spent so far, and Mr. Roys said about \$55,000. Mr. Haugen asked what they expect the total cost to be, and Mr. Roys said \$1.2 million. Mr. Haugen asked if these two separate appropriations will put them into production and Mr. Roys said yes. Mr. Haugen then asked in 1976 what they would plan to spend and Mr. Roys said probably they would be toward the tailend of the capital expenditure then. Mr. Haugen asked if they would then be asking for additional money, and Mr. Roys said that he would guess they would then be in a total operation dollar situation. Mr. Haugen asked what their cost per year to run this will be. Mr. Roys said that any estimates right now would be pretty wild guesses. It will depend on what the final design they end up with is. Mr. Haugen insisted on a more concrete response, and Mr. Roys, emphasizing vigorously that this is just a guess, said that it will probably be in the neighborhood of a \$100,000 per year operation. Mr. Haugen asked if they are going to have to buy some land in the Bristol Bay area, and Mr. Roys said that they will need some land. He said that they have worked on the land lists with the native corporations, and said that they have had very good cooperation and, backing this up further, Mr. McGill said that he has been told the corporations will support this in any way that they can and at no price. They have done everything they can do to cooperate. They have indicated their willingness to help, have worked with the local biologists, and he expects only a continuation of this support.

In response to questioning by Mr. McGill, Mr. Roys said that one of the things they are trying to do is to capitalize on the fact that there are many agencies with talented, senior scientific personnel vital to the state right now.

Mr. Barber asked Mr. Roys how much he figures their travel in FRED has increased. He said from a division-wide standpoint, it has gone up about \$10,000. The maintenance request increased that much which relates to the number of projects involved. Most of the increase can be related to the Anadromous program.

One of the reasons for the contractual services increase is the power needs for servicing all of the units.

The commodities increase includes the increased costs of fish food and other support items.

Equipment has gone up -- particularly maintenance on equipment. Mr. Roys noted that a lot of their equipment is tied in with capital improvement programs.

projects through from design conception on. He continued, stating that this came up first under Snake Lake. Actually, this position will be handling two regions, and again, he emphasized much of the value will be in the person's ability to pick up a project in the design stage and follow it through to bidding.

Mr. Warwick asked how much money has been spent on whitefish, and Mr. Roys said about \$44,000. Mr. Warwick asked what there is to show for it. Mr. Roys said that among other benefits, they now have a firm understanding of the life history of the whitefish, and a good understanding of gear development for this kind of fishing. Mr. Warwick asked what Mr. Roys would estimate the whitefish industry to be in terms of the whole state and Mr. Roys said that he would estimate the industry will eventually be a million dollar industry and maybe more. It is difficult to project.

Mr. Brooks noted that in some areas of the state he has been discouraging commercial interest in whitefish because of the high interest in subsistence utilization of the resource. Many of these whitefish populations are not large and do not yield a great deal of profit to anyone. He said that he has not given any permits in the Bristol Bay area for commercial utilization of the whitefish though he has given a few in Fairbanks. In response to questioning by Mr. Warwick, Mr. Roys said that he estimated there were 250,000 whitefish taken for subsistence on the Yukon Kuskokwim Delta last year.

In response to questioning about the cost of the whitefish program, Mr. Roys said that whitefish and clams are grouped together in the budget book and said that the cost factor is just about half for each.

Mr. Warwick asked what the potential for the salmon fishery in the state is in terms of yearly harvest, and Mr. Roys said around 100 million. Mr. Warwick asked what it is now, and Mr. Roys said that this year and the last couple years have been low points in the industry -- this year they are predicting 22 million. The reason for this is that the industry has been suffering the consequences of the exceptionally high natural mortality suffered by all salmon stock due to the severity of the winters of 70-71 and 71-72. Mr. Warwick asked what the harvest last year was and Mr. Roys said 21 million. Mr. Warwick asked what is the highest harvest in recent years, and Mr. Roys said 30 million. Mr. Brooks said that he would expect that we will see a harvest of 79 or 80 million at the end of this decade. He said that he projects it taking that long because he thinks that is the amount of time it will take before they start getting large catches of red salmon again in Bristol Bay. By that time also, if there isn't too heavy a natural mortality as happened in the early 70's, the pink and chum salmon stocks should be much more productive than they are now. It may well be five or six years before we are back up to producing at the level we should be producing.

Admin. &
Support

Leaving Anadromous, and going on to Administration and Support, Mr. Roys said that the function of this section is to pull together those elements that are really not operational, but are true support elements. They have requested some additional clerical support this year. He said that if the committee will look at the capital budget, they will see that the Administrative and Support function is really fairly small.

Development Going on to Development, Mr. Roys mentioned that they are intensifying their efforts on fewer streams. For some of these they are going to have to have heavy equipment, but he thinks that eventually they will get this equipment out of the federal government.

Mr. Warwick asked what an estuarine rearing system is. Mr. Roys explained that the original name was saltwater rearing system, but estuarine, meaning both salt and freshwater, is a more accurate name. He said he was having to answer a lot of questions of people concerned because they thought the program really was putting fry into saltwater rather than fresh.

Mr. Haugen inquired about the clam program and asked if there is going to be a harvest. Mr. Roys said yes, once the approval from FDA comes through. Mr. Haugen was upset because this program has been underway for five or six years and has faced nothing but delays. Mr. Roys said that up until now they have been having considerable difficulty with the FDA, particularly getting them to realize that conditions in Alaska are different from those in the other states and that it is impractical and unrealistic to treat both areas the same.

Committee recessed at 10:30.

After Recess
10:40 a.m.

Mr. Barber called the meeting back to order at 10:40. The committee now took up the Division of Administration and Support.

Commissioner Brooks began by noting that the general fund request for the entire Department of Fish and Game is a little over \$7 million, and represents less than 2% of the total state general fund expenditure. Thus it is a relatively minor item in the overall state budget, and he hoped that the committee could see that the state will not be bailed out of its economic crisis by shaving this budget. This less than 2% produces enormous benefit to Alaska. Even though the state is in a rather depressed period with respect to production of its fisheries resource at this time, there is still well over 1/4 million dollars a year of new money that is generated. This does not take into account the enormous economic impact of the recreational and subsistence resources. He said that he feels Alaska really is

Admin. & Support favored in having these resources from which so much benefit can be derived, without much heavy investment.

B. of F&G Mr. Brooks noted that the budget request for the Board of Fish and Game is increased to \$36,200. He said that the last legislature increased the number of board members from 10 to 12. This is the reason for the increased request.

Com.'s Office In the Commissioner's Office, the legislature drastically cut the appropriation for FY74. FY73 the Commissioner's Office had a \$164,000 appropriation. It was cut to \$109,000 in FY74. The result was that one deputy commissioner and his secretary had to be eliminated. This has left the Commissioner with one deputy commissioner and one secretary. The deputy commissioner is engaged fulltime in foreign fisheries matters. He represents the Commissioner at all of the conferences with other agencies, i.e. INFPC, bilateral meetings with Japan, with Russia, etcetera. This type of work occupies his fulltime attention. This has left the commissioner with no staff support whatsoever. He has one secretary and that is it. He said that he has requested the restoration of one staff position for the Commissioner's Office, which brings the request up to \$155,000, which is still about \$10,000 less than 1973. There are no other significant changes.

Mr. Barber noted that the request is for a Special Assistant rather than another deputy commissioner, and he asked about the difference in salary. Mr. Brooks said that his present deputy commissioner, a Range 27, makes about \$2700 a month. This special assistant position will be a Range 23, starting at about \$1900

Info. & Educ. In Information and Education, Mr. Vern Roberts (Director of Administration and Support) said that they have found that the demands on the Department for information on the state's resources and regulation have more than taxed the ability of the staff they have to disseminate. In the current year through the Budget and Audit Committee they have established two positions in a seasonal category, a graphic artist and clerk typist. These are shown as new positions, but they are on board now. The Governor's Allowance is \$114,000 (\$89,000 for personal services) as compared to \$97,4000 in FY74 (with \$74,000 in personal services). The difference is almost entirely the salaries of the two new positions.

[Mr. Meekins left at this time.]

Mr. Specking inquired about radio and television programs, the wildlife notebook series, etcetera, and asked who pays for them. Mr. Roberts said that a good deal is gratis. The Wildlife Notebook series are written by Department personnel. The Department does pay the cost of printing. The TV and radio programs are sponsored, but the costs for producing the programs are paid by the Department. Mr. Specking said that he has been questioned by several constituents who are concerned that these programs encourage hunting and fishing, when

they feel there are already sufficient pressures on these resources. Mr. Brooks said that it is true that with respect to some of the recreational fisheries resources the programs encourage participation -- particularly in such a sport as ice fishing. However, the thrust of their programs is not to encourage fishing and hunting. There are programs showing people how to butcher their animals, ways to take care of meat, and to increase understanding of management of these resources. He said that as far as he is aware, there are no programs with a deliberate thrust towards hunting. The point of these films, he reiterated, is just to help people appreciate better these Alaskan resources.

In Administrative Services, Mr. Roberts noted that this is a record keeping, warehousing, business management support function. \$1,280,000 is the request. 37% is for personal services, 19% is for rents of office space and warehouse space for other than state-owned office buildings; 4 1/2% for for insurance -- bonding on employees, special hazard insurance, fire insurance, etc.; between 10 and 11% is for maintenance of buildings and equipment; 11% is for redemption of ASHA bonds for facilities of the department as a whole; 6% is for telephone and telegraph services; and 5% is for supplies for all personnel.

Covering the increase over last year, Mr. Roberts said that roughly \$140,000 of this request was put in here to fund moving the Department headquarters out of the subport and into the Goldstein Building. The reason for this is that the subport building does not meet fire standards. He stated that this was not at the Department's request.

Mr. Haugen asked if they plan to make that move. Mr. Brooks said that he hopes not. He thinks they are better off where they are. He has discussed this with the Governor. Mr. Haugen asked what it would cost to bring their current building up to code. Mr. Brooks said that he thinks it might be fairly expensive, and that he is not sure what it would cost as he is uncertain how far they deviate from the code. However he stated that in their present building they are all on one floor with several exits. He felt that at the Goldstein Building, he could see how people would be trapped by fire. He does not see their present facility as one in which it would be easy to be trapped. He said that he would like to stay another five years where they are.

Mr. Haugen asked Mr. Charney what the reasoning was behind this move. Mr. Charney said that the current building has been inspected and quite a lengthy report prepared on it. There is no fire wall between the nearby shop and the building. Budget Review felt that they did not want it on their conscience that one of the state departments was operating out of a building which had been reported by the fire marshall as not being up to code. The long range plan for Fish and Game is that when the Transportation Building is constructed and Highways moves into it, Fish and Game will move into the Highways facility in Douglas. Mr. Haugen asked what their intentions are then with the subport facility,

and Mr. Charney said that their recommendation is to tear it down eventually. Mr. Brooks said that there is more to the building than just the offices. There is storage space, warehouse space, and he sees no provisions for this storage elsewhere. Mr. Charney said that it would still be used for Fish and Game storage. He was speaking of the long term plan when he mentioned tearing the building down. Mr. Brooks said again that he feels that the Goldstein Building is much more of a trap than his present facility. The Governor himself did not comment on this, he said, but told Commissioner Henri of the Department of Administration, to get in touch with him (Mr. Brooks). This has not happened yet, however.

Mr. Brooks said that still another problem with the Goldstein move is that there are 55 cars that park at Fish and Game -- and this is even though they have car pools. He said that he does not see any way that downtown Juneau could accomodate another 55 cars on a daily basis. Yet another objection to the move is that the subport building has a small auditorium which is of enormous value and is in constant use. This would be sorely missed if they had to move. It is used several nights a week. He said that although he can appreciate the position Administration has taken, the move does not suit his own needs and obligations.

Mr. Specking -- along with some of the other committee members -- seemed to agree with Mr. Brooks as to the superior safety situation down in the current Fish and Game building as compared with the Goldstein Building. He noted that this seems to be another case where common sense has lost out to a set of regulations, and he made a plea for the common sense that seems to be disappearing these days.

Continuing, Mr. Roberts said that \$128,000 was requested for rental of new ASHA facilities, which have been authorized. For Kodiak, \$63,000 is the estimated rental; in Ketchikan, \$46,000; and in Nome, about \$20,000. They should be moving in in the current year. Mr. Haugen said that he understands the Ketchikan facility cannot even accomodate all the personnel it was intended for, and Mr. Roberts explained that what happened there is that the cost of construction rose after the estimates were made, and so the facility had to be built smaller than had been intended.

In personal services, there is on programming position requested. During the last year, the division underwent a federal audit and one of the points that raised the most problem was their methods for keeping time and attendance and their methods of computing time spent on federal projects. It is going to take extensive reworking of their present system in order to meet the federal requirements for this payroll records keeping. He explained that there are federal dollars and state dollars in the Fish and Game fund to pay the cost for this new position. This is the only new position they are requesting.

Engineer. The Governor's Allowance for Engineering Services for FY75 is \$102,800, an increase over this year's \$85,000. The increase is occasioned almost entirely by the addition of one position, that being an engineering technician operating out of Anchorage. As Mr. Roys explained, they have developed a close working team of engineers, but FRED as well as other divisions in the department, require a site supervisor. This will be someone with basic engineering knowledge but more experience on the construction site. They have concentrated the people they do have to a large degree in responding to rehabilitation needs.

Mr. Barber said that there is no question in his mind but that what they are initiating is the creation of an engineering section in the Fish and Game Department and he thinks that is a subject for legislative review and decision. He said that he can see the necessity in some instances and yet he feels they are facing that same situation not only in engineering, but environmental control, habitat, protection, etc. Mr. Roberts said that one consideration he feels is most appropriate here is that there is not a great deal of engineering capability that has a background in the natural resources, fish and game area. Some of these areas have very different requirements than what would be required from other engineers. Mr. Brooks said that at one time there was a Division of Engineering and Services in the Department of Fish and Game and it was growing into an identifiable engineering capability that would appear very similar to what might exist in Public Works. In 1965 the legislature saw this and worked it out by doing away with the Division of Engineering, but the department retained a Chief Engineer and some engineering capability because it had to have the kind of specialized talent with experience in engineering of fishways and hydraulics. The Department has gotten by with just that kind of nucleus until they started getting into the FRED programs and work of that sort began to expand rapidly. Now the need for specialized engineering services is greater. He feels this is a valid need.

Vessels Going on to the Vessels program, Mr. Roberts said that the request for FY75 is \$628,000. This is a maintenance budget. There is no particular change though there are some requested staffing changes. There are three new positions, crewmen for the M/V RESOLUTION. He said that the overtime factor is running quite expensive and there is a high turnover rate. This is the reason for the new crew members -- so they can double their crew. There isn't space aboard the vessel to carry two crews at once, but at least this way they will get better utilization of the vessel and reduce the high turnover caused in part by the dissatisfaction of people being forced such long hours so continuously.

to work

Mr. Haugen talked about the RESOLUTION's alignment difficulties, clutch trouble, etcetera. He was concerned about unskilled,

unsupervised work having been done. Mr. Brooks said that most people feel the boat was sprung and possibly overstressed. There is also the possibility that the hull was bent, as if possibly the vessel had gone into a sea in a way that overstressed it. Mr. Haugen felt this would have been apparent immediately. He wondered about the skipper of the vessel. Mr. Brooks said that it was the same one then who ran it on the rocks. He is no longer with the department. However, Mr. Brooks repeated that that particular accident may have been caused by the boat's having been out of alignment. Mr. Brooks noted that the boat is faced with difficult sea conditions, and mentioned that there were 9 king crab vessels lost at sea this year, some of them bigger and better boats than this one. It is possible when boats are carrying water in bad conditions to bend the hull. There was further discussion on whether or not the skipper was liable for the difficulties or whether they were unavoidable. Mr. Roberts noted that at the time the appropriation was requested to purchase the RESOLUTION, the maximum use planned for it was 200 days a year, and last year in spite of the down time due to the accident, the vessel was still out at sea for 165, so it wasn't really down as much as some people have been saying.

Mr. Brooks emphasized the vital importance of this boat to the management and protection programs. They have one crew, which is not paid well enough to attract the best quality people. The Department is not competitive with what a good engineer or skipper can make privately. Mr. Haugen mentioned that they are getting three vessels into Protection, and maybe there will be a chance to work some of this out with them. Mr. Brooks said that that might be possible, but they are earmarked for Protection.

In response to questioning as to whether or not the biologists aboard the RESOLUTION on its trips pitch in with the crew work to be done, Mr. Rozier said that he thinks in all cases where their people are on board the vessels, permanents are helping in all ways. He mentioned that the vessels are used in all kinds of programs -- their people are actually operating gear during the course of their work.

Again speaking of the difficulties presented in finding personnel, Mr. Brooks mentioned that due to low pay and long hours, they have actually had crew walk out in the middle of crucial jobs. This additional 3 man crew is important to relieve that situation.

Committee recessed at 11:45 a.m.

AFTER RECESS
HOUSE FINANCE COMMITTEE
February 23, 1974
1:50 p.m.

Acting Chairman Haugen called the meeting back to order.

NAT. RES. The Committee resumed its consideration of the Department of
MGMT. & Fish and Game budget.

ENV.
CONSV. Mr. Robert Rausch, Deputy Director, Division of Game, told
the Committee that his brief overview of the budget would show
several major changes, but which will not reflect greatly
changed funding.

Dept.
Fish &
Game

Game

Mr. Rausch stated that some change is inevitable due to the
accelerated population growth associated with the pipeline.
He said that the Game Division is undergoing a drain on its
resources with increased demands of service.

The emphasis for FY 75 will be on recreational opportunity and
quality rather than "providing a full bag". He stated that
the Game Division was stressing the "demechanization" of the
sport hunter by objecting to use of aircraft and snowmachines,
and all-terrain-vehicles.

Mr. Rausch stated that federal legislation on marine mammal
hunting (which allocated management jurisdiction to the federal
government) has resulted in several adjustments in research and
management activities.

The Game Division is also picking up activity in the function of
sealing and tagging which had previously been covered by
enforcement officers in the Fish and Wildlife Protection Division
(Department of Public Safety); their decision to no longer continue
this function places a greater burden on the Game Division.

Mr. Rausch said that the budget reflects a major change in
temporary assistance; in the past fiscal year, there were
absolutely no funds for such aid. Over 100 man months of
temporary assistance, utilized to gather data, allowed the
Division to carry a smaller permanent full-time staff. Mr. Rausch
stated that this situation has a direct effect on the Division's
efficiency, and therefore, temporary assistance is again requested.

Mr. Rausch said that in the Southcentral areas of the state there is the need to identify and improve winter ranges for moose. To maintain the moose population in the Matanuska Valley, for example, with the increasing rate of subdivision, lands must be identified and the habitat improved through physically crushing trees in order to provide lower vegetation growth.

Rep. Barber stated that most of the crushing machinery has stood idle. Mr. Rausch said that was true; since the 1969 fire, the machinery has not been used, but it might be possible for the Game Division to utilize it for the crushing required in this program.

Mr. Rausch stated that the source of funds for the Game Division come from license receipts and federal funds; no General Fund monies are involved. The federal aid money is derived from the Pittman and Robertson Act (Federal Aid in Wildlife Restoration Act), and the amount has increased this year to \$2.1 or \$2.2 million. Mr. Rausch said they must match one license dollar for every three federal dollars.

Mr. Rausch stated that as a result of legislation in license funding, there has been a dramatic increase in the proportion of funds from nonresidents. Mr. Rausch stated that if the nonresidents challenge the increased ratio, difficulty might arise.

Rep. Barber asked if some Pittman-Robertson funds are being lapsed. Mr. Rausch stated that the funds have not lapsed since 1968-69. He added that if the proposed budget should be accepted, they would start cutting into a slightly increased backlog; if this is not done, they may have to revert \$1 million to the Department of Interior.

Rep. Specking asked how much money in license and tag fee revenues was taken in. Mr. Rausch replied that for the calendar year, \$1.29 was collected. Rep. Specking then asked if residual money from licenses and tags goes into the General Fund. Mr. Rausch replied that the money goes into the Fish and Game Fund. Rep. Specking said that therefore, there is a substantive amount of money in the Fish and Game Fund. Mr. Rausch said there has been a draw on that fund of approximately \$936,000.

Rep. Specking then asked Mr. Rausch if it is permissible to use any of the F&G Fund money for protection purposes. Mr. Rausch stated that an audit is still being conducted; the answer to the question will come after the audit's completion and whether it has been accepted or not.

Rep. Specking said "then you cannot use federal money for protection". Mr. Rausch said they are entitled to use their own license and tag money as they see fit except for protection purposes.

Mr. Rausch stated that you cannot use Pittman-Robertson money for protection, only for administration of the department. He said that the department has tried to set some money up for protection, but the proposal is now being audited.

Mr. Vern Roberts, Deputy Commissioner of the department, told the Committee that the balance of the Fish and Game Fund will be approximately \$780,000 at the beginning of the next fiscal year. Rep. Warwick then stated that the department will then have approximately \$1,000,000 at the end of FY 75. Mr. Roberts stated that they would have only \$450,000; he said the expenditures next year will be greater than the income. He told the Committee that they were looking at only one part of the "drawdown" on the Fish and Game Fund, but in actuality, there are other activities in the department which are funded by the fund such as the Office of the Commissioner, Administration and Support, and Hatcheries.

Rep. Specking then asked if the department felt that the present protection arrangement which is located in a different department is satisfactory. Commissioner Brooks stated that the job of Fish and Game law enforcement being done now is more satisfactory than the job done when this responsibility was in the Department of Fish and Game. He stated that the Governor transferred the protection function to the Department of Public Safety in order to bring about improvements--which, in fact, the transfer has accomplished. Commissioner Brooks stated that in looking at what the Department of Public Safety has done, he is satisfied that there has been, overall, considerable improvement. The Commissioner added that he can also see room for further improvement which could come about in either department.

Rep. Specking informed the Commissioner that departmental people in the field say there is a total lack of cooperation between protection people and biologists; communication is not effective. Commissioner Brooks told the Committee that he did not feel such a charge to be justified. He said the game and sport fishing regulations are set down in the regulation booklet; there are not many dramatic changes, and much hunting and sport fishing is done along the highways where Department of Public Safety have their people anyway. Commissioner Brooks stated that the regulations lend themselves well to the Department of Public Safety.

Regarding communication between enforcement people and biologists, Commissioner Brooks said that at times it is difficult to coordinate people from both departments when there is an unforeseeable and sudden change in regulations. He stated that the Board makes the rules, but the actual management is often done by the manager in the field. Commissioner Brooks stated that the enforcement performance is under constant review, and if it can be proved that the present arrangement needs a more appropriate way of organization, then change the arrangement; but that is no reason to call it a dramatic failure.

Rep. Specking pointed out that the present enforcement arrangement is a topic brought up at every public meeting he has attended. Commissioner Brooks countered that this happened even before the transfer of protection to the Department of Public Safety. Rep. McGill stated that he, too, had heard many complaints on the present protection arrangement.

Rep. Warwick then asked Mr. Rausch to expand on the subject of demechanizing the sport hunter, as mentioned earlier. Mr. Rausch stated that the proposals for this program will go before the Board this April. He stated that there is too much illegal use of all-terrain-vehicles, aircraft and snowmachines. He said there is an Executive Order from the President calling for ~~the~~ designation of areas where such machines may and may not be used. The Division hopes to establish special use areas which would permit use of backpackers and horse-back only. Another proposal was to disallow big game hunting during airplane flights. Commissioner Brooks added that another possibility is to close the season early enough before snow-machines can operate.

Rep. Warwick then asked if the department had considered prohibiting hunters from using an area any closer than three miles from the roads. Commissioner Brooks stated that they are considering prohibiting taking of big game within 1/4 mile of the highway. He said that it is difficult for hunters to tell the difference between 1, 2, or 3 miles; they can, however, tell the difference between 1/4 and 1 mile. Comm. Brooks said the protection people agree with the 1/4 mile distance.

Rep. Warwick asked if a three-mile limit might have an effect on more animals coming closer to the highway. He stated that there was much criticism that people cannot see animals from the highway any longer. Commissioner Brooks stated that McKinley Park was open if people wished to view wildlife. He said they hoped to tell hunters to "pick" their moose three miles from the road.

Commissioner Brooks then informed the Committee that the department had just issued an emergency regulation closing a strip of 5 miles on each side of the pipeline. This is in response to a resolution passed by the Legislature approximately two years ago which asked that a 10-mile strip be closed to all hunting, trapping and fishing. Commissioner Brooks said that the 5-mile limit on each side of the pipeline just recently imposed is to prohibit big game hunting only. He stated that after talking to several legislators from up north, he had learned that there are native trap lines along those areas. The feeling was expressed that closing it to big game hunting would satisfy any real need for protection. Commissioner Brooks added that he did not want to see this applied to all pipelines or highway systems; he stated that if it is extended too far, an enormous part of land is being taken out of production.

Rep. Warwick then referred to the annual Delta Junction buffalo hunt. Mr. Rausch stated that the hunt was discontinued last year due to lack of temporary assistance, etc. they could not even fund all of their permanent personnel. He added that they may even have to line-item transfer to pay salaries. Mr. Rausch stated that the discontinuation of the hunt was a matter of establishing priorities, but Mr. Rausch did want to recommend reinstating the hunt.

Rep. Warwick then asked what budget the buffalo hunt had come under. Mr. Rausch replied that it cannot be identified specifically. Commissioner Brooks said it would fall under Management. Rep. Warwick pointed out that the Legislature had allowed the agency's request for FY 74. Commissioner Brooks stated that it was necessary to transfer temporary funds into permanent positions one year, therefore the following year's budgeting showed temporary funding request not as maintenance but as a change item; the change item got knocked out by the Governor's Budget Review Committee, therefore they got no temporary help.

Mr. Rausch added that the buffalo hunt did not merely involve manpower to guide the hunters in the hunt, but also involves the processing of several thousand applications and their verification. Mr. Rausch said they receive 3,000 applications a year.

Discussion followed regarding the Native Land Claims Act. Rep. Haugen stated that Alaska "got shot down" by accepting the 80-million-acres amendment to the land claims bill. He said that this will take potential state land away from us, and we should resist it. Mr. Rausch stated that the state has selected about 70 million acres and has approximately 20 million more to select. Rep. Haugen countered that the choice (tops of hills) was poor. Mr. Rausch stated that some selections were very well placed. Mr. Rausch stated that there is nothing that can be done as a department or state to prevent lands from going into one of the four federal systems.

Rep. Warwick then asked Mr. Rausch to explain the University of Alaska Cooperative Wildlife Research Unit. Mr. Rausch stated that the department has funded the program since statehood to train students in wildlife management fields. Mr. Rausch stated that they lean heavily upon this area.

Mr. Rausch said that federal matching money is available for use in constructing and maintaining shooting ranges near metropolitan areas. There have been many inquiries about additional ranges from various communities throughout the state; the activities setting up these ranges are just getting started, but it is a matter of assigning priorities to make public shooting areas available.

Discussion followed on competitive lease rates for airplanes. Rep. Warwick said he had heard that the department is leasing a plane from an air taxi company because the department is charging rates that are too high for the divisions to accept. Mr. Rausch stated that Frontier air Tax service did have competitive rates and that the division had leased a Super-Cub from the company because protection in the Fairbanks area was needed, and most of the department's planes had been assigned to the Department of Public Safety for their protection division. Commissioner Brooks said the department had one airplane now (a Beaver) which could not be transferred to the Department of Public Safety; all other planes went to that department.

Rep. Specking stated that he wished to discuss the Dall Sheep on the Kenai Peninsula, the cost to the state, and how it is improving sheep management in the rest of the state. Commissioner Brooks then stated that there would be no more ewes or lambs shot on Crescent Mountain by helicopter. He said that it is actually perfectly legal and has been done before in connection with departmental research. It allows more efficiency and creates less expense, but it will no longer be done. Comm. Brooks added that the department is now trying to figure out what they can salvage of the research already obtained with this new handicap.

Mr. Rausch told Mr. Specking that cost figures on the entire project (Dall Sheep management) could be presented to the Committee in writing in the near future.

Discussion then followed on sheep management. The old management concept is now being questioned, the idea being that taking only rams with 3/4 curl or larger would in no way endanger the population. Mr. Rausch stated that with increased hunting pressure, seasons must be shortened. He stated that there is a proposal that will come before the Board which consists of a permit system in Tok, allowing hunters to come in and shoot some curl rams. Mr. Rausch said there may be experiments on population manipulation done in Tok and Crescent Mountain to see if they can produce more sheep. He said that there is some indication on Crescent Mountain that it is successful.

Mr. Rausch stated that 800 hunters (sheep-hunters) were polled; the general public is divided on the issue.

Rep. Haugen stated that the same situation of increased hunting pressure exists in S.E. Alaska for deer. Rep. Barber told the Committee that he had introduced a resolution which passed in 1971 prohibiting the taking of cow moose. The Fish and Game Board failed to regulate or enforce the legislation.

Recess There being no further discussion, the meeting was recessed at 3:15 p.m.

AFTER RECESS
3:15 P.M.

PRESENT

Mr. Haugen, Mr. Barber, Mr. Warwick, and Mr. Specking. The following people were present from the Department of Fish and Game: Mr. James Brooks, Commissioner; Mr. Vern Roberts, Director of the Division of Administration; Mr. Alex McRea, Director of Hatchery Services; Mr. Lou Bandirola, Deputy Director of Sport Fish. Mr. Charney, Director of Budget and Management, was also present.

NATURAL
RESOURCES
MANAGEMENT
& ENVIRON-
MENTAL
CONSERVA-
TION

Acting Chairman Haugen called the meeting back to order. He said they would continue discussion of the Natural Resources Budget category. He asked Mr. Bandirola to go over the Division of Sport Fish budget request unit.

DEPT. OF
FISH &
GAME

Mr. Bandirola said the FY 75 Budget reflected a decrease of approximately 4.7% as compared to the FY 74 budget. The funding for this program is derived from the Fish and Game fund license revenues and the Dingle-Johnson Program. He explained that the reduction was based on a verbal conversation with the U.S. Bureau of Sport Fisheries and Wildlife where they were told that current year allocations were going to be below expectations. As a result of this, reductions were made, and the budget reflects this information.

Sport
Fish

The proposed budget for maintenance of federal grant programs shows a reduction of 6.2% over FY 74.

Mr. Bandirola referred to the summary. He said that the Research budget itself was at \$1,094,600, which reflects a decrease of 3.2%. He explained they reduced overtime benefit allocations which puts the decrease in benefits down to 14%. He said there were appropriate reductions in the other three categories. He noted a need for 9 months of temporary time and 1 full time position for the Mendenhall Laboratory in Juneau.

The Management unit request is \$586,400 and this reflects a decrease of 6.4% over FY 74. It reflects continuation of current projects scheduled for completion this year. There are some reductions in travel, commodities, and equipment. There is a slight increase of 7 man months temporary time and some contractual services to carry on programs presently involved with.

The request for Sport Fish Restoration is \$33,000, which is a 2.6% decrease indicative of reduced effort in associated projects they have been participating in.

The Administration and Support category requests \$111,900, which is a decrease of 1.4% basically a result of reduced benefits.

Mr. Bandirola thought it would be appropriate to indicate that the Sport Fish Program was geared towards recreational fishing efforts throughout the State. It has been remarked that in excess of 2.8 million man days were exerted in FY 74. By the same token, the business

Mr. Bandirola said that the budget reflects about 67% of expenditures in the Personal Services category. Travel covers about 8%; Contractual Services runs 13%; and Commodities covers construction of wiers etc. for operation of the Program at 9%. Equipment is about 1% of the total budget.

Commissioner Brooks said he would like to call their attention to the fact that there is no General Fund money at all involved in financing the Sport Fisheries Program. It is all license receipts and federal funds. This budget is reduced from the current Fiscal Year because of advance word that federal receipts would be reduced during the coming Fiscal Year. They had to make appropriate adjustments. Very recently they have been advised that initial estimates of federal allocations to Alaska were too conservative, and after all, they are going to be eligible for considerably more federal money that they have not provided for contribution of in the budget.

He said it was possible at this point to strengthen the Sport Fisheries Program considerably by utilizing the additional federal funds and additional license receipts in hand, if they are authorized to use them. This would create no additional drain on the General Fund, but it would strengthen their program at a critical time. Furthermore, he said they have no capability to evaluate the impact of pipeline work. They will hopefully have funds for monitoring the construction to be sure it is done in accordance with the stipulations.

Mr. Brooks believed it was reasonable in light of the knowledge that more federal funds are available on a 3:1 matching basis, and that since they do have the match money in the Fish and Game Fund from Sport Fishing License receipts, they could perhaps do the recreational people and the business community that benefits from this a considerable favor by altering the Administration's budget. He noted that he was probably off base in suggesting such a thing, but as he pointed out, there is money available which they didn't know about at the time the Governor's Budget Review Committee went over the budget.

Mr. Specking asked if the license fees from Sport Fish Licenses were lumped "all in one pot". Mr. Brooks said yes.

Mr. Barber said that it looked like Sport Fish and Game have essentially been self-financing. He asked whether the Governor's Budget Review Committee had dabbled with that License money at all.

The Commissioner answered yes and no. He explained that they did dabble with it. Of course; their feeling is that when they use the

fund, it is State money and they don't want to see it used for purposes that aren't justified & valid. Furthermore, they look at the possibility of using Fish and Game Funds in places where they could substitute it for General Fund, and in that way reduce the pressure on the General Fund. He explained that almost \$1 million of Fish and Game License Funds were transferred to Public Safety at the time that enforcement function was transferred. The Budget Review Committee examined the possibility of transferring additional funds this year of about \$.5 million, and Mr. Brooks strongly protested it. His reasoning was that although there is a slight backlog of funds, the bulk is going to have to be used now in matching the additional Personal Services expenses associated with collective bargaining.

Mr. Brooks went on to say that the law says that the Fish and Game Fund has to be under the control of the Commissioner of Fish and Game. He said it was possible for him to contract with Public Safety to do work for them, but the money was supposed to remain under his control. Otherwise, they would be in violation of the Federal Act, and subject to disqualification. He said it was a technical thing they could get around. On the other hand, he stressed that the entire program is sustained without touching the General Fund. He said there was no reason to transfer any of this Fish and Game Fund money away from the Department of Fish and Game. He said they would like to hold it and use it to strengthen the Sport Fish and Game program. He said they had the opportunity now to use some additional Fish and Game Fund money on a matching basis. He said he hadn't discussed it with the Governor or the Budget Committee because he just recently found out, but he was quite confident there would be no objection.

Mr. Barber asked to have a letter on the subject. Mr. Brooks said he would write a letter and give it to the Governor and his people, and if they concurred, he would give it to the Finance Committee.

Mr. Specking asked about an impact budget. Mr. Brooks replied they have no impact budget within the ongoing divisions. They have a separate request to the Legislature for a monitoring program. This includes some 12 positions. He added that Environmental Conservation had a similar request. He said the monitoring program would be financed by ALYESKA. Structurally it will be a surveillance type program. The Fish and Game people who would be funded by this Program would serve as staff for the State Pipeline Coordinator, Mr. Champion.

Mr. Charney pointed out that the Revised Program was before the Budget and Audit Committee. It has been held in abeyance somewhat. The Budget and Audit Committee directed the administration to negotiate to make sure the State costs will be reimbursable. He explained it was an early start for this Fiscal Year.

Mr. Warwick asked about reduced benefits, and Mr. Brooks said they were able to reduce benefits in Personal Services due to reduction of employee benefits which were originally calculated at 20%. They went down to 14%.

In answer to a question from Mr. Warwick, Mr. Bandirola said that in their current budget they have an economic survey to determine more accurate expenditures of recreational anglers. Boeing Computer Services has the Contract. This will get off the ground in the next month or two, and they will have the results next spring. One of the indications they have is that recreational fishing is of high economic benefit to the State.

Mr. Warwick asked what controls were put on to protect the sport fish. Mr. Bandirola said there were several programs. He explained that they could divert the pressure on to a less utilized area by advertising the potential and opportunity to catch fish and by offering an opportunity to catch various types of fish. There are various programs to gather basic information in order to more realistically control the population of fish.

[It was pointed out at this time that there was an error in Form 4A in two programs for the number of man-months in personnel. Form 662 and 663 will show this.]

Mr. Specking was concerned about whether they were running two separate clam studies. Mr. Haugen said there were five clam inspections in the State. Mr. Bandirola said that the Razor Clam Program that Sport Fish was working on was based on one of the largest recreational fisheries in the State. Their investigations on the clams is a management program to insure that the clams are not overharvested or depleted.

Mr. Warwick asked about fresh water clams and the possibility of transplanting them. Mr. Brooks said they would have to be very careful as the immature clam is a victim of several fish parasites. It might be possible to introduce disease to present fish stocks. He said that many of the lakes on the Kenai Peninsula have clams.

A discussion of the characteristics of Black Fish followed.

Habitat

Mr. Haugen said they would go on to discuss the Habitat section Budget Request Unit.

Mr. Brooks said that for two years running the House Finance Committee has attempted to defund Habitat on the theory that it duplicated the efforts of the Department of Environmental Conservation. They had prepared a thorough analysis to show how the functions of these two units differed and why they should remain independent of each other. He said the analysis was contained in the Budget Document on page 909.

Hatchery Services

Mr. Alex McRea, Chief of Hatchery Services, said that the functions of his section were fairly simple. It was a matter of providing kinds and sizes of fish to different sections.

He went on to say that the fish hatchery program has the responsibility for planning, designing and operating the Department's fish hatchery program, for the varied needs of Commercial Fisheries, the Sport Fish, and the Rehabilitation, Enhancement, and Development Divisions. This support is provided through the Kitoi Bay Hatchery, the Fire Lake-Fort Richardson Complex, and the Crystal Lake Hatchery. Headquarters is located in Juneau.

Mr. McRea explained that the Kitoi Bay station is out of Kodiak. In the past several years it has been more or less idling along. However, in this past year it has developed into a strong support activity for the FRED Division and their rehabilitation and enhancement work in that area. Fish & Game's part in the station has remained constant. There has been an increase in work effort and cost, but the charges now occurring and being funded are taken care of by FRED. Hatchery Services provides and operates the Station.

He said they have requested an increase in funding for Kitoi Bay that is related to lack of maintenance in the past. They requested an increase of \$22,000 over last year, making their request \$78,000 for the Station. Other than replacement of outmoded and worn equipment, there are no changes.

Mr. McRea said that in the Capital Improvements Budget, which as he understands is now a bond issue, they have a further request for upgrading the station. He stated that if something wasn't done to take care of these matters of many years standing, the station would in effect, close itself down.

Mr. Warwick asked why Hatcheries wasn't under Fred, and Mr. McRea replied that Hatchery Services provided services for all of the activities of the Department. To date it is more appropriate to operate as a separate entity.

The Commissioner said that part of the reason it was separate was that Hatchery Services was already a separate program when FRED was created and it continued that way attached to the Commissioner's Office. He said he saw an advantage in keeping it there. He pointed out that there was a certain amount of competition for the products of the Hatchery. If Hatcheries were under the FRED Division, there is a possibility people might assume that the FRED Program was given the highest priority. He admitted they had considered putting it under FRED, and eventually it may be that it should be there. He said he had discussed it with the Governor and had been told it would be all right, but after further thought and consideration, he had requested it be left where it is for the time being.

Mr. Barber noticed in the Lapse Fund Report that Kitoi Bay lapsed 15.6% of their money. Mr. McRea said that in FY 73 they had been authorized \$55.5 and had used \$46.8. He explained there were two things involved, the station coming off the line and pooling activity with development of FRED projects.

He explained that they tended to use lapsed funds in another station. He told them to check with the budget document where they would find they were authorized to spend \$176.5 for Fire Lake. It showed they had actually spent \$180.0 to keep alive. He said it was simply impossible to predict to the last dollar how much expenditures would be until about two months after the Fiscal Year.

Mr. Barber said he could understand the problem.

Mr. McRea said that in Fire Lake they have been seriously underfunded, and that part of it had inadvertently been initiated by error in budget preparation two full years ago. Part of this increase under maintenance at Fire Lake is to cover this approved but underfunded portion of the program.

Mr. Barber asked the current status, and Mr. McRea said that on paper they were \$25,000 under in Personal Services. They have \$5,000 to use between now and the end of the Fiscal Year.

Mr. Barber asked whether their budget was too low with the rising cost of commodities and service. Mr. McRea said he thought they were going to be tight again.

Mr. McRea said there were a couple of things that he wanted to bring out about Fire Lake. He explained that they had to treat the water in order to provide a disease free environment. The funding level prevents the effective application of water quality control techniques which would significantly increase fish viability and reduce fish mortalities as much as 15% in the 7 million fish and eggs handled annually.

A major part of the increase is to provide services and materials to upgrade the filter system. This is needed to apply knowledge of improved technology in operation of the reuse system as well as rebuilding one filter which was constructed temporarily a few years ago.

The increase in personal services is to provide a permanent full-time maintenance mechanic to maintain equipment and apparatus and permit personnel to spend more time rearing fish. There is also an increase of clerical help to provide support for the increase in production.

Travel increases are due to planting the added fish produced at full production level. Increases in contractual services consist primarily of added electrical costs in heating and recirculating water, vehicle travel in hauling more fish, and communications associated with increased production. Increase in commodities is almost entirely for more fish food required for increased production.

Mr. Warwick asked Mr. Charney when they would get the Capital Budget and was told it was at the Printer's and the last word was it would be ready on Tuesday.

Mr. Brooks said that in order to bring hearty first quality fish out of the Hatchery, they are going to have to up-grade the water sterilization system. They included this in the first budget, but along the line it was put into the bond issue section of the budget, which he said was all right, only it means that if the bond issue capital improvement program is not approved, they are going to continue to not get the benefit from the Hatchery, and this will actually cost money.

Mr. Barber asked if they held brood stock at Fire Lake, and Mr. McRea said they didn't, and it was something that needed to be developed.

Mr. McRea said they were very pleased to say that the Crystal Lake advanced fish handling and rearing facilities seem to be functioning quite well. There has been no major loss of fish and they have avoided disease problems. It is designed quite well. They have the same situation as Fire Lake in that they need to start developing suitable adult runs of fish for egg taking. He admitted they have seriously underestimated some of their costs and these are reflected in changes from the maintenance level. The major increase is to get into adult fish holding and egg taking business. At Crystal Lake they also have a request assigned high priority by the Department for reinstating some of the brood rearing facilities, which they lost when they couldn't pay for them.

Mr. McRea said that essentially the Headquarters budget remains the same. He said they had a directive from the Legislature the year before last to provide some figures on cost for various groups of fish handled in various ways. They are half way through the project, and have run out of funding. They are requesting additional part time help to give them the ability to provide this information.

Mr. Warwick asked how many people they had, and Mr. McRea said two full time employees, an administrative assistant and a temporary clerk typist. They are asking for permanent part time for 8 or 9 months to help them catch up with other matters.

Mr. Bob Grogan, Fiscal Analyst, referred to the status report of capital appropriations. He asked what the actual status was. Mr. McRea said they had somewhere more than \$50,000 currently matching on anadromous fish projects to double money and improve water intake systems. \$6,000 may or may not be involved since outstanding bills haven't been collected by the Contractor yet. They are withholding some \$9,000 also on some minor discrepancies. With regard to the \$3 million construction bond issue, this is the tag end of it now.

Mr. Vern Roberts noted that the unencumbered balance is only \$56,000. All the rest of the money has been spent.

Mr. Haugen said they had a report here on reclassification. There were a substantial amount of reclassifications there at no change in the budget.

There was much discussion on this and much confusion. Mr. Warwick suggested that the Finance Committee discuss this with their staff, and at a subsequent date have them request what the Committee wanted in the way of information. The Commissioner said he would like to have Vern Roberts and their Personnel Officer work with the Finance staff people. The Committee agreed to this.

ADJOURN

Meeting adjourned at 5:05 P.M.

HOUSE FINANCE COMMITTEE

February 25, 1974

1:30 p.m.

Present: Representatives Freeman, Barber, Specking, Saylor, Haugen, Warwick, Meekins.

William C. Fackler, Deputy Commissioner, Department of Natural Resources, Harry Aase, Administrative Officer, F. S. Hongsinger, State Veterinarian; Myrton R. Charney, Director, Division of Budget and Management.

NRM & ENV.
CONSERVATION

Dept. of
Natural
Resources

Representative Freeman called the meeting to order and announced that the purpose of the meeting is an overview of the budget as presented by the Department of Natural Resources. He noted that the short form budget is not in conformity with the red book, although the subject matter is the same. Representative Freeman then turned the chairmanship of the meeting over to Representative Barber who is the sub-committee chairman for this budget category.

Land
Mgmt.

Mr. Fackler stated that the total budget request is \$852,400. Last year's budget was \$845,600, so there is a very minor increase.

Rep. Warwick noted that the mineral leasing budget was cut down from \$164,000 to \$151,000. That indicates to him that they will not be doing something this year that they did last year. Mr. Fackler explained that one position was disallowed. Mr. Warwick stated that on the Central Land Management portion, it looks like a loss of a position. Mr. Aase replied that the reduction was actually a transfer of that position to Joe Keenan's shop (Division of Lands).

Mr. Aase stated that all the deleted positions were new position requests. However, there were some new positions allowed in Mr. Keenan's budget request.

Mr. Warwick questioned whether the department might have been overbudgeted last year, since this request is close to the FY 1974 budget. Mr. Aase explained that Central Land Management is down, but that is accounted for by the transfer of one position. Some of the other divisions are up slightly, due to inflation.

Representative Saylor asked what kind of "impact budget" the department has submitted. Mr. Aase replied that the Governor has not allowed for an impact budget here. They had requested \$119.1, and it was disallowed.

Answering Rep. Barber, Mr. Aase said in this BRU, the bulk of the contractual services increase is due to rental increases. There is a standard clause in the MacKay Building rental agreement allowing for increased rentals. In addition, ASHA rentals have gone up.

Representative Saylor asked what the department's vacancy factor was. Mr. Aase replied that it varies from year to year. They were second lowest in the State on a percentage basis.

Referring to Page 00088 of the "red book", Rep. Saylor questioned whether the Land Management Officer II, named Barber is any relation to Rep. Barber. Mr. Aase replied that he believes they are father and son.

Water
Mgmt.

Mr. Fackler explained that this is a maintenance level budget. There has been a slight reduction in the amount of federal funding.

Rep. Barber wanted to know what effect the department has on habitat. Mr. Fackler explained that they have some joint management arrangements or agreements, but most of the federal money in the budget goes to Fish and Game Habitat. Rep. Barber asked if Mr. Fackler felt there are parts of Habitat activity that could best be handled by another agency, such as Fish and Game. Mr. Fackler replied that Natural Resources owns the land and makes an agreement with Fish and Game to manage it.

Rep. Warwick asked what had developed to bring about the decrease in federal funding from \$139,000 to \$86,000. Mr. Aase explained that the Federal government sets this grant program up on a two-stage basis. Two years ago they did not appropriate anything on the second grant; however, we got some funds because we had a "carry over" and were able to continue. He explained that Congress again did not budget for the second part.

Responding to Rep. Warwick's question about what the department does with this money, Mr. Aase stated that Natural Resources, Environmental Conservation and the Dept. of Fish and Game develop a plan which they submit to the Federal government for a grant, and they share the money. The money comes into Natural Resources budget; and the other departments receive their share through reimbursement agreements. This year they had submitted a revised program because of the reduction in the funds.

Mr. Fackler said the money is used by Natural Resources for contractual services. If they don't get as much as in the past, they don't do as much.

Referring to page 123 of the red book, Rep. Saylor noticed that a Land Management Assistant I position, identified as PCN 1203 had been deleted. He did not see PCN 1203 anywhere. Mr. Aase explained that the position was vacant from the time it was created, and was supported by federal funds.

Cadastral
Engng.

Mr. Fackler noted that the budget has been increased for surveys.

Representative Barber noted that one position, "temporary full time" was lost. Mr. Aase stated that that was a Cartographer they hired last year on a special appropriation. Answering Rep. Barber, Mr. Fackler said that program was completed.

Referring to Water Management again, Rep. Warwick asked what the grants were used for. Mr. Aase stated that they were used for water management and related land use planning. The money comes through the Department of Natural Resources, as the lead agency in the State.

Rep. Warwick asked "who does the planning?" Mr. Aase replied that Environmental Conservation, Fish and Game and Natural Resources developed the plan which goes to the federal government, as the basis for their grant. Some of the money is used by this BRU and some goes to other departments. The exact breakdown is on Form 20 in "Inter-agency Transfers."

Representative Warwick said it appears to him from the budget request that the entire amount of the grant (\$40,024) is being transferred to other departments. Mr. Aase explained that some is retained in the budget as the "matched funds" against the budget. \$86,400 comes in and Natural Resources in turn gives the other departments their share.

Rep. Warwick asked "what do we do in Cadastral Engineering?" Rep. Saylor asked "What is increased in Contractual Services?" Mr. Fackler explained that a lot of surveying is being done, mainly for land sales, and some surveys with BLM. The department does surveys for all State lands they buy and sell, platting, etc., including work for the Boroughs, which the Boroughs pay for. He noted that they hope to receive more land from BLM. Mr. Fackler said he did not know how much we are reimbursed by the boroughs; however, it is probably for work that we supervise. He said if we helped them, we would normally charge them 10% for administration cost.

Rep. Warwick asked Mr. Fackler to please check that out and provide the committee with the information.

Rep. Warwick noted that last year we had \$105,000 of "programmed receipts." What was that? Mr. Aase explained that that is the "Merrill Field" account funds. They have now been moved to the capital budget.

Mr. Aase stated that the basic change is the addition of a classification and planning unit which includes transfer of the one position discussed earlier under Land Management, and the addition of three new people. Mr. Fackler said land planning and classification is a response to a lot of requests for more detailed land studies before sales. He felt that all State lands should be classified.

Rep. Warwick questioned where the \$105,000 is going. Mr. Aase replied that we are still receiving it--they are receipts from Merrill Field. He asked Mr. Charney to comment on these funds.

Mr. Charney explained that these monies have been coming in since prior to statehood. Last year they discovered that although the funds were coming in and being spent, they had never been appropriated by the Legislature, so they immediately put it in the budget. They put it in the operating budget, which was wrong. Now they have transferred them to the capital budget. The funds were to develop a subdivision, and should go only to that subdivision. Last year was the first year they were ever appropriated.

Mr. Warwick wanted to know who was signing the checks. Mr. Aase said he did not believe there were any expenditures.

Geophysical
Program

Request for one new employee. Mr. Fackler explained that this new employee is an "oil and gas" man who would be transferred from oil and gas to geophysical survey. He transferred at mid-year, and they would like to keep him.

Hard
Minerals

Mr. Fackler noted a \$7,800 budget increase.

Rep. Warwick questioned why petroleum is listed under this budget, as petroleum is not a hard mineral. Mr. Fackler explained that it was convenient to do it under this budget. He pointed out that the regulatory part of oil and gas is another budget category. However, this exploration is included in this group. He explained that the work is in the lower Cook Inlet primarily. It is to study the existing information where oil has not been drilled. Mr. Aase further explained that when this budget was put together, two divisions were combined in one BRU and it was for budget display purposes only--for administrative purposes, it was unmanageable.

Rep. Warwick suggested calling this section "Minerals" rather than "hard" minerals. Mr. Aase stated that at one time we had a "Minerals" section and everything was combined. The problem was there were two different concepts and two different programs--conservation and cataloging.

Rep. Warwick asked how the computer model is doing. Mr. Fackler replied that the first map should be out any time now. He has not yet received all the information he wanted. Sometime next summer he hoped to have the data indicating what would happen under production.

Rep. Barber noted that there had been an increase in employees. He asked if that was the only impact they have in the "black book." Mr. Aase replied that three divisions have budgeted for impact: (1) Oil and Gas; (2) Parks and Recreation; and (3) Commissioner's Office.

Mr. Warwick wanted to know when the resources study will be done. Mr. Fackler replied that the first phase is done right now. They hope to have the second phase done during the summer. After that, they cannot do much more until production has been established.

Fire
Protection
and
Suppression

Mr. Aase stated that this budget has changed because they have a capital program going. He said they must either pay BLM or support their own firefighting force. Mr. Charney explained that all the studies they have done show that this activity can be done by either agency for about the same amount of money. BLM has informed them that they do not want to continue doing this for the State, as they have enough lands of their own to worry about. In addition, their appropriation is fixed by Congress and any receipts from the State do not go to BLM, but to the Federal government general fund.

Rep. Warwick asked "what happens when a fire on BLM land spreads to our land? Who is responsible?" Mr. Charney replied that we have reciprocity agreements with the federal government. If a fire starts on State land and we determine it is not worth fighting, but it is spreading to federal land of value, then the federal government would be able to come in on State land to fight the fire, and vice-versa. Currently, we pay BLM for fighting State fires.

Mr. Fackler explained to Rep. Warwick that the State has title to about 7 million acres of land. Mr. Charney explained that when we take over our own fire suppression, it will be a phased-in program, possibly over a three year period. In answer to Rep. Warwick's question, Mr. Charney stated that we fight fires for the Boroughs and have not been billing them for it.

Rep. Warwick said he projects that it might cost about \$15 million for fire suppression when we get our 100 million acre allotment under the Statehood Act. Mr. Fackler pointed out that it probably will not cost that much, as much of the land will be away from highways where most fires start, because of the human element.

Mr. Charney suggested that the committee discuss the details of the projections with the State Forester.

Rep. Warwick asked "What is pre-suppression?" Mr. Aase replied that this includes informational material on fire suppression.

Management
& Services
-Forest

Rep. Barber noted that the amount of money is up slightly. However, the personnel remain the same. Mr. Fackler stated that the increase is due mainly because of more timber sales. In answer to Rep. Warwick, Mr. Fackler stated there have been a number of smaller sales, but not many large sales.

Alaska
Conserva-
tion Corps

Mr. Aase explained that this is based on a federal program. This year we have a revised program which will allow 80% federal funding. The program involves training young people in the area of conservation. Mr. Charney explained that the difference between this federal program and the NYC (Neighborhood Youth Corps) is that this is designed for training youth

in the field of conservation, forestry, etc., whereas NYC youth may work in any field, such as offices, industry. It's to get the kids off the street by giving them anything to do. the Conservation Corps trainees work at the minimum wage.

Mr. Aase stated that in this particular program, they would like to have it designated as continuing funds. The program is going to be funded on a November 1 to November 1 basis.

Mr. Charney stated that they have written their appropriation bill to allow for this and have asked that these funds be carried over.

Parks &
Recreation

Referring to page 367 of the red book, Rep. Warwick asked for an explanation of the \$250,000 for "establishing trails and footpaths" that was lost. Mr. Charney said it was authorized by the Legislature, but he did not know whether or not it was funded.

The committee decided to postpone review of the Parks and Recreation BRU until Ted Smith, Director of Parks and Recreation, can be present to answer questions. Rep. Barber told Mr. Aase that anytime this week, after Tuesday, would be o.k. to have Mr. Smith come down from Anchorage.

Commis-
sioner's
Office

Mr. Aase stated that this reflects the same budget as in the past except there are some ASHA charges (increased rental). He said the only real change is the ASHA payment on the new State Office Building. The staff remains the same.

Rep. Specking asked how much additional space they are getting in the new office building. Mr. Aase replied that he did not think they will have as much space, but it will be more functional. He said he could get that figure for Rep. Specking.

Recess

The committee recessed at 3:13 p.m.

AFTER RECESS
3:20 p.m.

Present: All members except Representatives Ferguson, Saylor, Ose and Meekins. From the Department of Environmental Conservation, Commissioner Max Brewer; Deputy Commissioner Jerry Reinwand; and Al Eagle were also present. Mr. Charney, Budget and Management, was also present.

NRM & ENVIRONMENTAL CONSERVATION

DEPT. OF ENVIRONMENTAL CONSERVATION Administration & Support Representative Freeman turned the meeting over to Representative Barber, Chairman of the Subcommittee on Natural Resource Management & Environmental Conservation.

Mr. Barber said there had been discussion that Habitat could more appropriately be handled by the Department of Fish and Game. Commissioner Brewer said the Dept. of Fish and Game is interested in water when there is fish in it. The Dept. of Environmental Conservation has been statutorily responsible for water quality. Commissioner Brewer felt that Habitat belonged in Environmental Conservation. He stated that if their department does not handle this the federal Environmental Protection Agency will.

Joe LaRocca, news reporter, entered the meeting.

Commissioner Brewer said that as the Habitat program is now set up the Dept. of Natural Resources is the "seller of water, Environmental Conservation is charged with the responsibility of the quality of the water, and Fish and Game is charged with the livability of the water in regards to Fish and Game."

Representative Barber asked if the only time the Dept. of Environmental Conservation would anticipate contact with the Dept. of Fish and Game would be on the matter of water quality control. Mr. Brewer said they would also work with them on items such as coastal and marine areas, question of wetlands useage or approving the Corps of Engineers permits. Every time they approach a stream that is anadromous there is an interlapping between Fish and Game and Environmental Conservation.

Mr. Warwick referred to letters he had received regarding sewer regulations. Commissioner Brewer said these regulations had been adopted last August after a considerable

number of public hearings. He said Mr. Vern Aikens had felt the use of "civil engineers" discriminated against mechanical engineers, who had designed some of the treatment plants in Alaska. Mr. Aikens and several other persons also objected to the word "disinterested" in the regulations. They felt that "disinterested" might mean "disinterested in their work." Commissioner Brewer said he felt this was a little far-fetched but he could see this interpretation. Commissioner Brewer said after these complaints had been heard they came out with language to make these modifications.

Commissioner Brewer said the department will approve in excess of \$20 million worth of sewage system designs this year. The majority of these will be approved by one man. Commissioner Brewer said if this individual is going to go into these designs and pick up all the potential errors he can probably do three or four systems a year. The Department has not been provided with money to go into detail and check each engineer's particular design. Commissioner Brewer added that over half of the sewer systems in Alaska are non-functional. He said they know the sewage treatment plants in Valdez and Dillingham are non-functional. At Barrow the system "just functions occasionally."

Mr. Warwick asked what the engineers are complaining about regarding the regulations. Commissioner Brewer said they have close to 3,000 professional engineers in the State. They have received about 30 complaints that would completely revise what the Department has done. He said they did not feel it was fair to the public to revise these regulations. In answer to Mr. Warwick, Commissioner Brewer said the engineers who have complained feel that any engineer should be able to design sewage treatment plants in Alaska as long as he is registered (this included civil, geological, chemical engineers, etc.). Commissioner Brewer said what the Department is seeking is demonstrated competence.

Mr. Freeman asked if they have any pre-packaged designs from the South 48 that are working. He referred to an individual in Ketchikan who is selling pre-packaged design. Mr. Reinwand said this individual is selling a good plant providing it has maintenance. He said their engineers are fairly happy with this program. Mr. Freeman said his point is "would every system have to be designed by an engineer in Alaska in order to work?" Commissioner Brewer said what they need is "more commonality of design."

In answer to Mr. Barber, Commissioner Brewer said the sewage lagoons that were put in on the North Slope were "dunking

ponds -- straight ponds of raw sewage." He then elaborated on some of the problems of this system. Mr. Barber asked if they anticipate proper handling along the pipeline route. Mr. Brewer stated that they are trying to make sure this is handled properly.

Quality
Control

Commissioner Brewer said the only change in this budget in the last two years is that one position is shown as doing plan review work and another position is shown in the Village Safe Water Act. These are not additional positions -- merely a better definition of what these people are actually doing.

Mr. Warwick referred to Air Quality and asked what happened to the \$25.0 grant they received last year. Mr. Eagle stated that in an attempt to stay under maintenance the Governor's Budget Review Committee reduced this to 0. Mr. Warwick stated that this action was absurd. Mr. Charney said it should more properly have been maintenance and a negative change. Mr. Warwick said if it was \$25.0 last year it should be \$25.0 this year. He asked what the grant money would be used for. Mr. Eagle said this went to the municipalities.

A discussion followed on what Fairbanks was doing with their grant money. Commissioner Brewer said he saw a proposal in the paper to use these funds for a library. (Later in the meeting Mr. Warwick stated that he thought this was in error -- the funds discussed in the article referred to revenue sharing funds).

The Committee then discussed carbon monoxide and ice fog. Commissioner Brewer said that ice fog and carbon monoxide were like "ham and eggs". Ice fog itself is an item dependent upon the moisture in the air. He said you can have deadly carbon monoxide and not have any ice fog. A discussion followed on this problem in the Fairbanks area. Mr. Specking asked if the carbon monoxide in Fairbanks was high enough to be dangerous. Commissioner Brewer said the medical association has a composition of ideas on this. Someone in poor health could have a problem with anything above 15 parts per million. In Fairbanks they have had levels of 26, 27, and 33. He said a level in the high 20's has been reached in Fairbanks during the last several winters. Mr. Reinwand added that the National Academy of Sciences is looking into this. They should have a report in August, 1974 which should nail this down. He said right now no one has the "magic figure." Mr. Reinwand said the department has been advocating improvement.

The Village Safe Water Act was briefly discussed. Mr. Haugen requested the Committee be furnished a list of projects (showing the location of the projects and what they are).

Coastal Zone The increase in personal services is a deletion of an Oceanographer IV, Mr. Eagle explained. This has been split into two lower level positions (Oceanographer I and Oceanographer II).

Land Use Commissioner Brewer explained that the Land Use and Urban Development work is being handled by Dale Wallington. He gave a brief summaries of these duties.

Terrestrial Ecology Mr. Barber asked if there would be any conflict in the two components of the office of Terrestrial Ecology and Environmental Management. Commissioner Brewer did not think so -- he thought they could find a good engineer and a good biologist (in the Director's position).

Permafrost Commissioner Brewer said the permafrost and soil engineering should be the most important approach to any environmental department in the State of Alaska. Commissioner Brewer explained some of the permafrost problems in Alaska. Mr. Barber asked if they could build on permafrost. The Commissioner said this would depend on what they want to build. He pointed out that there are no courses on this subject at the University of Alaska.

Adjourn: Mr. Haugen noted that the government is paying for a lot of sewage plants in Alaska. He pointed out some of the problems in Petersburg. This was briefly discussed and the meeting adjourned at 4:50 p.m.

After Recess

1:40 p.m.

Present:

All members were present with the exception of Messrs. Ferguson, Saylor and Meekins. Also present from the Alaska Commercial Fisheries Entry Commission were Mr. David Jackman, III, Chairman, and Mr. Alan Adasiak, Executive Director, and Budget and Audit representatives. Present, too were members of the press.

NRM & ENV.
CONSERV.
OFFICE OF
GOVERNOR

Chairman Freeman called the meeting back to order and turned it over to subcommittee chairman Mr. Barber.

Limited
Entry

Mr. Barber announced that the committee wanted a overview of limited entry and then a justification of their budget.

Mr. Jackman said that the legislature created the commission last year to stop the increase of the amount of gear participating in Alaska's commercial fisheries at levels which are consistent with good management of the fisheries and at sound rates for the fishermen who depend on the fishery. The commission is charged with the administration of a research program and a permit system to control the amount of gear participating in commercial fisheries.

Mr. Jackman continued, stating that during the first year the commission has held public hearings throughout the state. They have held 16 formal hearings and have had several informal appearances before various fishermen's groups and citizen's groups to explain the program itself, answer general questions, and to gather the testimony and views of the fishermen on how the permits can best be applied to fishermen of the different areas.

During the first six months considerable time was spent on organization and staffing. Not all of the staff positions for which money was appropriated last year have been filled, but most of them have and the staffing is adequate for the present phase of the program. Mr. Jackman noted that public acceptance has been good, but there has been some confusion. There has been some concern on the part of fishermen on how they are going to be affected.

To date there have been 7,000 interim use permits given to over 3800 different fishermen. The interim use permit program is going very well. They are further along than they had figured on being. They had been fearful that with their small staff they would not be able to get the permits back rapidly, but the turn-around time has only been three or four days.

Mr. Jackman said that the limited entry program will not apply to all the fisheries in the state, but only to those that have

too much gear. It will include salmon and gear net fisheries in all areas with the possible exception of the Arctic, Yukon Kuskokwim area. He said that they must try to get permanent permits for all of those salmon net fisheries. This is the area in which they will undoubtedly get more applications than they will issue permits for. This will be the primary workload in the coming year. The program is well underway and they are keeping up with the time schedule which they have set for themselves.

Mr. Barber said that he notices in the FY74 budget they were authorized \$1,213,000 and that their maintenance request is only for \$763,000. He asked if that figure is adequate in Mr. Jackman's opinion. Mr. Jackman said yes. He pointed out that their maintenance level for 1974 was \$763,000. There were decreases and increases. He said that there has been one change, and referred to pages 4 and 5 of the budget book. This was due to an increase in the amount the Commission will be charged for rental of office space. That adds another \$17,000, but they still anticipate needing \$25,000 less than last year's maintenance level appropriation. A majority of the reductions are in equipment with some in personal services. He noted that some of their needs are highly uncertain. As best they can anticipate, this budget will be adequate.

Mr. Barber asked if they anticipate any lapse for this year and Mr. Jackman said yes, there probably will be.

Mr. Barber asked if they have had any difficulty in staffing. Mr. Adasiak said yes, and they still are. One of their policies has been not to staff up until a position is needed. There is still a secretarial position and one hearing officer position vacant. Also, there are two data processing clerk positions vacant. One difficulty in staffing has been that considering the magnitude of work that they have to do, they need a number of high powered people and so they have attempted to be very selective. He said that when interviewing people he tells them that there will be a lot of overtime and no vacations until November or December. They want a team with maximum efficiency.

Mr. Barber asked if there have been any unanticipated turns in the program. Mr. Jackman said that they expected some surprises. He said that they realize regulations are going to have to be tailored to the different areas. He could think of no surprises that have thrown off the estimates used when they prepared their budget; however, he said that there are some unknowns, and that lawsuits can affect the timing of their program although the problem of lawsuits themselves will be the Department of Law's concern.

Mr. Jackman mentioned that the confidentiality status of certain

reports will have to be amended; it was an oversight that they were not previously, as the Commission needs access to certain of that information in order to administer this program.

Mr. Barber asked what they did with the \$150,000 in the contingency fund, and Mr. Jackman said they will probably be lapsing it.

Mr. Warwick asked if they are ahead of schedule, and Mr. Jackman said actually they are on schedule. Mr. Warwick asked when they anticipate having the permanent permits out, and Mr. Jackman said that in 1975 they should see the permanent permits for salmon net fisheries. That is when their real limitation function will first be felt. Mr. Warwick asked Mr. Jackman if he thinks that some who have licenses now will be limited or if this will only be a limitation on new applicants. Mr. Jackman said that there will be in certain areas limitation even on those who now have interim use permits. He stated that reduction of gear will not be necessary in all fisheries, however.

There was some discussion on the form the permits will take. They will be fully transferable. Mr. Jackman said also that he would anticipate the commission would make a standard offer to buy back permits, based on the fair market value and the number of permits available. He felt that the price of the permit should reflect what a person would be able to make fishing. In response to questioning by Mr. Warwick, Mr. Jackman said that the person selling his permit has to give six months notice and the transfer must go through the commission. The comment was made that this will safeguard against people being intoxicated and dispensing with their license when they are not in a clear thinking state of mind.

After continued questioning, Mr. Jackman said that after an area has been limited to a certain amount, if conditions should change so that they could open it up for more licenses, there are a number of ways in which they could determine who would get the new permits: by lottery, by bid, dependency rating. He said he would guess the method would partially depend on how many more permits were going to be made available.

Mr. Warwick asked how many miles out the state can exercise its control and Mr. Jackman said three miles, but there is presently litigation on the landing law for shellfish fisheries. In response to continued discussion, Mr. Jackman said that it is his own personal opinion that the state does have control in a fishery where there is a relationship between the shore and offshore fisheries. The Commission's legal consultants are working on this because they feel this program should go the full limit of the state's jurisdiction. The problem is that the limits of the state jurisdiction are not very well defined. Answering Mr. Warwick's questioning, Mr. Jackman said that high seas fishing for salmon
net

is prohibited by law and treaty.

Mr. Jackman said that troll fisheries right now are a big question -- this is especially important to Southeast Alaska. There is some question as to whether or not it should be included, and how the offshore areas should be treated. It is now being studied.

Mr. Specking referred to page 13 and asked how many of these people are on board. Mr. Jackman said that there are four positions vacant.

Mr. Specking referred to Mr. Jackman's statement that they have issued some 7,000 interim use permits, and he wondered if when the permanent permits are issued, the commission has any idea of how many people will be excluded. Mr. Jackman said that they can issue in Bristol Bay 1710 permits (based on 1710 in 1971). Selection will be made on various factors, including recent past participation, substantial investment, income.

He stated again that limitation on all the fisheries will not be necessary. He did say that he would imagine that some of the crab fisheries will need it in a few years. The legislation establishing the commission directs the commission to take a look at all of the fisheries of the state, however, to determine their status. There are about 60 fisheries, Mr. Jackman said.

Mr. Specking asked what the cost of the interim permit is, and Mr. Jackman said that it is on a scale ranging from \$20 to \$100. Mr. Specking asked how much they have collected, and Mr. Jackman said \$303,000 as of February 15. They started issuing permits around December 15.

In response to questioning by Mr. Barber, Mr. Jackman said that some people have been buying interim permits on speculation. In drift gill net fishing in Cook Inlet, for 100 openings they anticipate 700 applicants.

Mr. Barber asked about the insurance and bonding request in the budget. Mr. Jackman said that this was prompted by the Community College fire in Juneau not too many years ago. One of the people on the Commission staff had months of economic research in files of the college and lost everything in the fire. The commission similarly will have great numbers of records and research -- they have had a number of IBM card decks, in certain cases they have some of Fish and Game's old records, and it was thought wise to be protected in case of loss by fire or vandalism.

Mr. Barber asked if a records management program has been considered with regard to limited entry, and Mr. Jackman said yes, very much

so. They have been working at trying to determine what information system they should go about developing and how to make them key into each other. Mr. Barber asked if they have made any provision for reduction of Fish and Game records for the last 10 years. Mr. Jackman said that they have a person on contract working with Fish and Game. Half or 2/3 of that is xeroxing.

Mr. Barber asked if they are still issuing permits to fish in Bristol Bay, and Mr. Jackman said yes, they are under statute required to issue the interim use permits to anyone who has fished before. In response to questioning, Mr. Jackman said that they will issue 1710 permits in Bristol Bay to start with but that that will still leave the fishery overcrowded.

Mr. Warwick asked Mr. Charney, who had just come in, about the additional monies in the budget for the commission (there seemed to be a double appropriation last year) and Mr. Charney explained that mistakenly the commission had been given this money both under new legislation and through the budget so the extra money is just lapsed.

Messrs. Jackman and Adasiak left at this time, and Mr. Fred Wolstad, Deputy Director of the Division of Fish and Wildlife Protection and Mrs. Vona Hall, Fiscal Officer for the Department of Public Safety, entered the meeting.

Mr. Barber asked Mr. Wolstad if he hadn't always been associated with Fish and Game, and Mr. Wolstad said yes, that he had been with Fish and Game when Protection was a part of that Department but had moved over to Public Safety when Protection was transferred.

Mr. Barber explained that what he wanted was an overview of the Division's operation particularly with respect to improvements that have come about through the transfer of the Division, and secondly, that he wanted an overview of the budget and budgetary changes.

Mr. Woldstad said that initially there were a number of mechanical problems involved with the transfer. Basically, some of the major items they have been able to accomplish in the last year or two have been notably in terms of education and training for personnel, communications, and ability to work on a team concept rather than individual concept in areas where the Protection Division does not have sufficient personnel.

In the last two years Protection has had personnel in the state police academy. Of the 23 graduates of the academy recently, 11 were Protection people. Seven of the top 10 in that group were Fish and Game officers. Five of the 11 were employees and 6 were new hires. This is the second group of protection officers to go through the academy. They are very pleased with the program.

Mr. Woldstad said that they are now working on a statewide system in communication so they have 24 hour communications with their patrol craft, through the state trooper network.

He said that basically their officers are now better equipped law enforcement-wise to accomplish the jobs that they have to perform. A number of the programs that they have felt were entirely inadequate in the past years they have been able to accomplish with a great deal of efficiency more recently. By way of example, he mentioned one area in which they formerly had two officers and two aircraft formerly responsible for, and they have now worked that same area with as many as 18 men and five aircraft.

He said that they are now at the point where things are running very smoothly and they have well outlined programs and are operating at a pretty good efficiency level.

Mr. Barber asked Mr. Woldstad if he is pretty satisfied with the current status of things. Mr. Woldstad said that he does believe that they have some coordination problems with the Department of Fish and Game. However, that problem is not just because of the transfer. Some of them have more to do with individuals and personalities. This is an area they are trying to work on.

Mr. Barber asked if any of their protection officers are biologists. Mr. Woldstad said that a couple years ago the average level of their people was 2 1/2 years of college. Twenty-three were college graduates and 8 had degrees in biology or fisheries.

Mr. Barber asked Mr. Woldstad if he felt they had adequate equipment. Mr. Woldstad said no. They do not have adequate equipment to do the job. They have lagged behind constantly.

Mr. Barber said that the vessel situation is improving and Mr. Woldstad agreed that it seems to be. Mr. Barber asked about small planes and Mr. Woldstad said that they are about at par. They had reached the point about six months ago of having enough planes for all the people who can fly. However, they now have two new people who can fly but have no planes.

Mr. Barber asked what they do when they need a plane, and Mr. Woldstad said that they have a coordinator in Anchorage and handle things through him in an effort to get maximum utilization of aircraft. They would like to have aircraft in Southeastern but the aircraft capabilities are not there so they use charters in Southeast.

Mr. Barber said that the Interim Fisheries Committee traveling last year was continually hearing that more complete and adequate protection is needed. They were hearing constant criticism about the inadequacy of the protection. He asked Mr. Woldstad how he feels about that. Mr. Woldstad said that he thinks a portion of that can be attributed to

the fact that a number of their public relations programs have been discontinued because they do not have the time and personnel anymore (programs like the hunter safety program and programs in public schools). Other programs, too, like visiting the villages, have gone by the wayside. Strict enforcement-wise, however, he said that he does not believe they have reduced the level of service at all. It is just the public relations that they have been unable to maintain.

Mr. Barber asked if they have incurred any problems with laws and regulations. Mr. Woldstad said that they have a number of regulations that have been established and are basically unenforceable. It would behoove Protection or some government agency to completely go through all of the regulatory booklets and establish which are valid and helpful. Some of these are accumulations of old territorial days. He said that he feels there are a number of regulations that are not useful.

Mr. Barber asked if his division has a good working relationship with Fish and Game and the establishment of regulations. Mr. Woldstad said that it is better than it has been. There have been times that Protection has felt inadequately represented before the Board, but he said that Mr. Chapple talked with them and it is better now.

Mr. Barber said that he was specifically concerned about regulations that are impossible to enforce. Mr. Woldstad agreed that these are a real problem. Mr. Haugen asked if it isn't true that when a person goes to work for Fish and Game they agree to enforce laws of the state, and Mr. Woldstad said yes. Mr. Haugen said that he has a concern that oftentimes the biologists, who are then eligible to write out citations, do not do so, but just report a case to the protection officer -- who then has to try and locate the situation and usually can't.

Mr. Barber asked Mr. Woldstad to begin the budget overview. He noted that the Governor's figure for Enforcement is \$2 million, contrasted with the maintenance figure of \$1.7 million.

Mr. Woldstad said that basically the budget increase is reflective of the new positions requested in Kodiak, to bolster their ability in policing the king crab industry. The Division is requesting a reduction in temporary hires and addition of two permanent positions for Kenai and Kotzebue. This is a reduction in man months. They feel that they need a permanent person out on the Seward Peninsula; and in Kenai, even though they have increased staffing in Soldotna it is still inadequate to meet enforcement needs in that area. Other than that, Mr. Woldstad said that most of the increases are inflationary. He noted that there are additional personnel to operate the 3 T-boats in Kodiak.

Mr. Specking asked if they don't anticipate any additional need because of the great increase in people in the Valdez, Copper Valley area. Mr. Woldstad said that they have some people requested in their supplemental request for that. Mr. Specking felt that with all the activity there will be in that area, there will be a permanent, not just an impact, need developed.

Mr. Specking asked about helicopter utilization, feeling that there are more and more hunters in special vehicles going into areas that with the vehicles and planes they have, protection officers would really be unable to follow. He thought helicopters might be an answer and asked if the division has considered using them. Mr. Woldstad said that there is a need for them. They have found that it is difficult particularly during sheep season to work a helicopter, however, without disturbing and antagonizing the hunters. They have used helicopters in the Wrangell mountain area and have attempted to continue the program going into the camps of the hunters, trying to get people returning to their camps. It is expensive, but he said it has definitely been worthwhile. They have also used helicopters in the Brooks Range to a limited extent, and also some in the Tok area where it did not prove as effective. Mr. Woldstad continued, stating that they feel next year, with increased pipeline activity, they will have difficulty getting helicopters.

Mr. Specking said that he was not just thinking of mountain areas but was thinking more of areas that are really in the backwoods where people are using special vehicles to get in. Mr. Woldstad said that they have not felt able to do that within the confines of their budget.

Mr. Warwick referred to Mr. Woldstad's comment that they do not have adequate equipment, and requested elaboration on that. Mr. Woldstad said that last year they got \$2,000 in equipment. This was totally inadequate to even replace some of the engines that were totally a loss in the season last year. Some of the vessels that they have, he went on, are five or six years old. He said that the Division puts usually four times the use on their boats as they would normally take. They have not replaced any of their snow machines in three years. He emphasized that mobile equipment is basic to their type of program, so its lack really causes some problems. Mr. Warwick asked how much they feel they would need. Mr. Woldstad said that they came up with what they thought of as a basic needs list, and their original budget request was for \$110,000. Mr. Warwick asked if there is any equipment in the impact budget and Mr. Woldstad said not much -- there are some vehicles but it is primarily personnel.

Mr. Warwick asked about the T-boats. Mr. Woldstad said that their minimum crew is 3 men, and they need two crews, one for replacement.

He said that they want to keep these boats in almost constant use.

Mr. Barber asked when they expect the boats to be ready, and Mr. Woldstad said that that depends on approval of the program. They have the specs, the engineer's drawings, and he is not certain if it has gone to Supply or not for their review. He was asked how long it would take to do the work after it goes to bid, and he said it could be about 90 days depending on the availability of engines. There is some question whether or not they will be able to purchase any engines.

Mr. Warwick asked what they have in airplanes. Mr. Woldstad said that currently they have 13 airplanes, including two Grumman Goose planes, Cessna 180 and a Cessna 150, and 9 super cubs.

Mr. Barber asked if there has ever been an effort made to develop a maintenance and repair budget, and Mr. Woldstad said no, but he believes it should be done.

Speaking of their vessels, Mr. Woldstad said that three of them are in excess of seven years, and that the normal life for the kind of usage they give them should be 5 years maximum. All three of these older vessels have had their engines replaced.

Mr. Specking asked if they are able to give reasonably good coverage during the sport fishing season on the Alaska Peninsula. Mr. Woldstad said no, he does not believe that they have been primarily because they have always needed to be in the commercial fishing areas at the same time and that is a higher priority. They hope in the next couple of months to put one man in at Iliamna as a start. He will have an aircraft.

Mr. Specking asked if they have abandoned their policy of hiring temporaries, and Mr. Woldstad said no. Last year they had 190 to 193 man months allocated to them. These have been used primarily in commercial fishing, however.

In the Director's Office, Mr. Woldstad said that some of the monies normally funded under Fish and Game are now in the administrative budget. This includes uniforms and a number of items purchased in bulk lot. Basically, there is nothing additional in this request. Increases are mostly due to inflation.

Mr. Specking asked in the Academy training if there are specialized training session given to fish and wildlife personnel. Mr. Woldstad said that the Academy has been increased a couple weeks and during those couple weeks instruction in that field is given. The troopers and the protection people get the same training. There is a lot of work with gear types and regulations. He said that the division is

using some of its own personnel for this instruction in addition to the one position they have at the Academy on a permanent basis.

Mr. Barber noted in the budget a decrease in the 900 series listed as Predator Control, and he requested an explanation. Mr. Woldstad said that that was put in last year, and they are requesting that it be removed. He said that it has been their policy to not request these funds. They have administered the bounty program whenever it has been given to them. In response to further questioning by Mr. Barber, Mr. Woldstad said that during the last year they attempted to obtain some legislative direction on how the predator control money should be used. They were unsure of what was meant by the term. It had earlier been listed as bounties. They would prefer that Fish and Game be managing this, if its purpose is to be limiting the populations of certain animals.

There was further discussion on bounty payments, and Mr. Freeman asked if the department has ever made any effort to have the bounty legislation removed. Mr. Woldstad said that while he was with Fish and Game there were several occasions when Fish and Game took the formal stand that bounty payments were not good business. It has not, however, been removed.

Going on to Aircraft, Mr. Warwick asked if the fuel costs shown reflect the fuel cost increases, and Mr. Woldstad said no.

Mr. Woldstad mentioned that he had forgotten to note one new position request which they feel is very important. This is for a sheet metal worker for their shop. The reason this is of particular importance this year is that they have received three planes which were military surplus and they have one other grumman in addition, all four of which they hope to get renovated but will require this worker.

Meeting recessed at 3:45 p.m.

After Recess
4:05

OFFICE OF Mr. Woldstad and Mrs. Hall were gone at this time, and Mr. Ed Anders, GOVERNOR Administrative Assistant to the Governor, Mr. Keith Weiss, Administrative Officer, and Mr. Harold Hansen, Director of International Fisheries, Fisheries were present at this time.
Commissions

Mr. Barber requested an overview of the International Fisheries budget.

Mr. Hansen gave an explanation of the International Fisheries functions and the differences between the International North Pacific Fisheries Commission, the International Fisheries Commission, and the Pacific Marine Fish Commission, explaining that they are different commissions

ought not be referred to together. He explained that the North Pacific as far as the American section (the Commission is tripartite, made up of the U.S., Canada, and Japan) has as its purpose the solving of matters on the high seas with regard to whatever are the terms of reference. At this time, black cod, salmon and halibut are the terms of reference. The meetings are held alternately in Japan, the U.S., and Canada. They have four commissioners from each country. There is a technical staff that is generally federally funded. Alaska's funding of this is for the advisory board to the commission. There are 8 advisors appointed by the president. Alaska's present commissioner is Elmer Rasmussen. Presently two of the commissioner positions are vacant. The other one filled is filled by Bob Shoning of the National Marine Fisheries Service. The state has no financial involvement with these people. Its involvement is paying for the transportation, per diem, of meetings of the advisory board. Presently they have used up the entire appropriation for last year and they need a few more dollars because they have to pay for the per diem of one of the members from Petersburg to attend another meeting.

Mr. Barber asked Mr. Hansen how many employees he has, and Mr. Hansen said that he has half an employee, at best.

Mr. Anders explained that under this BRU the funds are allocated strictly in travel categories. There are no staffing or personal services requests. In answer to questioning, Mr. Hansen said that the International North Pacific Commission pays no dues, there is no contract; there are only minor support services. There was question about the Pacific Marine Fisheries Commission. Here travel and per diem is paid by the International Fisheries Commission to them, and the only costs they show in their BRU are contractual costs.

Here Mr. Hansen noted that one slight problem they have with per diem is that commission members receive \$25 per diem but there are some legislators involved who are by law entitled to \$35 per day and insist that they receive it regardless of whether they are on commission business rather than legislative. Mr. Hansen said that the extra \$10 per day has been coming out of his small budget.

mm. Athletic Going on to the Athletic Commission, Mr. Weiss explained that this is to further support of the Fur Rendevous and that type of think wherever needed. He said that he believes it is a match type of contribution on an equal basis. The request is down from last year -- this year's request is their normal operating maintenance budget.

Meeting adjourned at 4:40 p.m.