

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2558

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HOUSE FINANCE COMMITTEE

Friday, March 1, 1974

8:30 a.m.

Present:

All members were present with the exception of Reps. Saylor, Ferguson, Meekins, Haugen, and Ose. Also present were representatives of Budget and Management, and from the Department of Fish and Game, Commissioner Jim Brooks and Chief of Habitat, Michael C.T. Smith.

NRMEC
FISH AND
GAME

Habitat

Chairman Freeman called the meeting to order at 8:35 and turned it over to Mr. Barber, subcommittee chairman for Natural Resources Management and Environmental Conservation.

Mr. Barber requested an overview of the Habitat Division of Fish and Game. Mr. Smith referred to the analysis beginning on page 909 of the third NRMEC budget book. This is an analysis which was done in response to a footnote from the Free Conference Committee Report on the budget last year. The analysis shows how the functions of Environmental Conservation and the Division of Habitat differ.

He explained that the major function of the Division of Habitat is to attempt to minimize detrimental impacts on fish and wildlife habitat. There are various criteria for assessing the impacts, and in talking about any environmental assessment all three departments are dealt with -- Natural Resources, Fish and Game and Environmental Conservation. Their functions, however, do not overlap. Fish and Game monitors fish and wildlife population numbers and distributions, which neither Environmental Conservation or Natural Resources do in any way.

[Mr. Haugen came in.]

Mr. Smith said that in Habitat they have statutory limiting authority with reference to the development of projects on anadromous fish. The orientation of the Division has been changed in the last 12 to 18 months and they are attempting to get out of the "after the fact" ways of doing things. They have made great strides in putting their stamp of agreement and approval on projects before commencement. They have been able to greatly increase the ability of their people to follow up in this area. They also have a function in coordinating with federal agencies -- Corps of Engineers, Geologic Survey, Coast Guard, and certain state agencies also -- i.e. State Division of Lands -- are required to contact Fish and Game on certain projects they undertake.

Since 1970 and the passage of the Environmental Policy Statement, the Department's responsibilities have been coordinated through

Habitat. They have worked closely with FRED in both supplying information and writing environmental impact statements and getting land access. They have also submitted large portions of environmental impact statements for Highways. (They contract with Highways for this.)

Mr. Smith said that at times people have accused Habitat of trying to stop development. This they do not do. They do not have the power or the authority to do so. They merely try to determine the impact.

Ir further noting differences between Habitat and Environmental Conservation, Mr. Smith said that Environmental Conservation has some firm enforcement statutes when pollution has occurred -- they do not have much authority until it has. In contrast, the function that Habitat has is in assessing impact before a project is underway -- and only certain kinds of projects, at that.

Mr. Barber asked about Ship Creek in Anchorage. Mr. Brooks said that if a person wanted to alter the course of the stream, take gravel from the stream, put equipment in the stream, or do anything else that might affect the fish they must submit their plans for review and Fish and Game has the statutory obligation to respond to them, either granting or refusing permission.

Mr. Barber asked why Dr. Brewer of Environmental Conservation do that. Mr. Brooks said because his staff does not understand impacts on fish populations.

[Mr. Saylor came in.]

Mr. Smith noted that the Department of Fish and Game might be willing to tolerate a certain amount of inorganic pollution because it is not people that they are concerned with but with fish, the effects on fish populations.

Mr. Barber asked with respect to game refuges, how it is that Fish and Game assumes the protection of those as opposing the Department of Natural Resources. Mr. Brooks said that the Board has the authority to designate state refuges. These are quite separate from State Parks which are under the authority of Natural Resources.

Mr. Barber asked if Natural Resources doesn't prescribe regulations concerning parks and recreation areas including regulation of firearms. Mr. Smith said yes, that they work closely with Natural Resources. In the Chugach State Park, for example, the two Departments have worked together in developing regulations. The Department of Fish and Game implements Natural Resource's

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decisions by closing the season on big game animals at certain times.

[Mr. Meekins came in.]

Mr. Specking asked if it is within the Division's authority to designate critical habitat areas, and Mr. Smith said yes.

Mr. Warwick raised a question about two new positions shown under Land Use Planning but in reality appear to be for Permits and Mr. Smith said that that was an error on the short form and they are meant to be under Permits.

Mr. Smith said that the Habitat Section presently numbers 10 people. He is the only persons in the state quarters. Most of the work is field work. The section chief has had available to him a temporary, part-time clerk typist. They are now on their 8th person in 12 months -- and much of Mr. Smith's time is taken in training. They requested an administrative aide position and it was approved by Legislative Budget and Audit. This is the first time it's shown up on a budget, though.

There is a request for a Fisheries Biologist II in Ketchikan. This position is required to meet their statutory responsibilities of anadromous stream protection and delineation of critical habitats through participation on U.S. Forest Service multi-disciplinary study teams.

Mr. Smith left and Mr. Rozier, Director of Commercial Fisheries, was present at this time.

Commercial
Fisheries

Mr. Barber asked for an overview of the Commercial Fisheries budget. Mr. Rozier said that as indicated in the analytic statement in the front of the budget explaining the division, they are charged with the responsibility of managing all of the fish resources of the state except halibut which is handled under the International Halibut Commission.

The Governor's approved budget is largely a maintenance budget, he said. Within the budget they have attempted to outline areas which have impacted the division: inflation, research support for the rehabilitation division, rapidly expanding fisheries over wide areas of the state, increased involvement of commercial fisheries staff in international matters affecting the fisheries.

He went on to say that the area of most impact has been the rapidly expanding FRED program and research involved with that.

Mr. Haugen asked how many pounds of king salmon were harvested out of the Yukon Kuskokwim this year, and Mr. Rosier said 1.6

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million pounds. Mr. Haugen asked about chums, and Mr. Rosier said about 3 million pounds, for silvers, about 1.2 million pounds, and an overallall product value of about \$9 million.

Meeting recessed at 10:00 a.m.

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After Recess

1:30 p.m.

Present:

All members were present with the exception of Representatives Ose, Saylor, Meekins, and Ferguson. Also present were Budget and Management personnel; and, from the Department of Fish and Game, Commissioner Jim Brooks, and Director Carl L. Rosier, of the Division of Commercial Fisheries.

IRMEC
FISH AND
GAME

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

Commercial
Fisheries

There was a discussion of the impact of high seas fisheries on Alaska's salmon stock.

Mr. Barber referred to the scallop industry, and Mr. Brooks commented the scallop industry has stabilized between 800,000 and 1 million pounds a year.

Mr. Haugen inquired about what has been done for herring studies. Mr. Rozier said that they have \$21,000 in the budget for the expansion of the Southeast program, \$10,000 for an initial program in Prince William Sound. There is about \$60,000 total, which is about a 50% increase over last year. Mr. Haugen noted that there is a tremendous amount of pressure to increase that fishery.

Mr. Rozier said that the Department in conjunction with the Board this fall has given some direction to the fishery. Essentially the fishery has developed around the sac roe, and they are trying to move the fishery away from that exclusive direction. Mr. Brooks said that they have now set a limit on roe. There will be no herring roe taken in excess of former year's harvest, and in Prince William Sound, they will take only half of what was taken last year. He said that herring have a good potential as a food fish and the Department would like to see it develop in that way.

At this time, Mr. Brooks interjected a remark relating to information the committee had earlier requested him to look up. He had been asked to find out whether or not the corporations up north are paying taxes and he said that he has found that several are properly licensed, but have not paid their 1973 taxes; however, the deadline is not until April 15 and he anticipates that they will probably be paid then.

Taking a look at budget increases in his Management program, Mr. Rozier said that the major increase is inflationary. There are several new positions allowed: a technician in Southeastern for the herring project; a technician in Cordova for the herring project; two biologists in Anchorage and Kodiak, and two technicians in

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Quinhagak and Kuskokwim. There is a small increase in outside travel, increase in contractual due to increased air charter rates, and other cost of living increases. There are reductions in a number of programs: Kodiak Tanner Crab Monitoring, Prince William Sound Tanner Project, Cook Inlet Herring Project, Cook Inlet Tanner Crab Project, Southeast Salmon Transplanting, Copper River Subsistence Fishery, and Kuichak River. He noted that some of the increases were due to expansion of the Tanner Crab Indexing program in the Kodiak area.

Messrs. Brooks and Rosier left at 2:15 and Department of Revenue Personnel entered the meeting.

Present at this time were Commissioner R. D. Stevenson of the Department of Revenue, Ralph Kimlinger, Deputy Commissioner of Revenue, Lawrence C. Eppenbach, Deputy Commissioner of Treasury, Philip Wall, Director of Administrative Services, Frederick P. Boetsch, Director of Revenue Audit, Steffan Andersen, Director of the Excise Tax Division, Charles L. Pyles, Director of the Division of Motor Vehicles.

Also present were representatives of Budget and Management.

Mr. Saylor, subcommittee chairman for General Government, requested Mr. Stevenson to make an opening statement on his budget. Mr. Stevenson said that the Department of Revenue has responsibility for administration and enforcement of all tax laws; custody, management, and investment of State funds; regulation of Motor Vehicle Dealers; motor vehicle, fish, game, snow vehicle and other licensing functions; collection of motor freight carrier and bus transportation weight fees; distribution of certain shared revenues to political subdivisions; administrative services for the Alcoholic Beverage Control Board; administration of abandoned vehicles; and estimates of future state revenues. He noted that the Department serves more people than any other State agency. Representation of the private and business sections served in FY 73 include: 20,400 business license issued; 196,000 motor vehicle and 163,300 sports hunting and fishing licenses issued; 125,000 individual and 134,800 business tax returns processed; \$118 million in tax and license revenues collected with 13.1 million refunded through audit; and \$46.4 million in interest earned and capital gains received on investments. He mentioned that several new responsibilities were given the Department in FY 74. These include the Abandoned Vehicle Act of 1973, a new field office in Seattle and substantial new duties in Equal Employment and Collective Bargaining.

Mr. Stevenson requested Mr. Eppenbach to give the budget review of the Treasury Management Division. Mr. Eppenbach noted that the budget request as approved by the Governor is \$739,000. Mr. Saylor asked what the difference is between that and the Department's maintenance figure of \$756,800. Mr. Eppenbach said that he and the Governor disagreed about the way in which the merit increases were

GENERAL
VT.
REVENUE

After Recess
11:00 a.m.

Present: Representatives Barber, Ose and Specking were present. Also present from the Division of Parks and Recreation were Mr. Ted Smith, Director, and Mr. Hilton Woolf; the State Forester William Sacheck; and Budget and Management representation.

NRMEC Subcommittee Chairman Barber called the meeting to order at 11:00
NATURAL a.m. for purposes of reviewing the budget for Parks and for Forest
RESOURCES Management.

Parks Mr. Smith said that the Parks budget for the approaching fiscal year shows some increases but they are principally in two areas: one is to implement a sticker system in the parks and the other is to provide maintenance and operation of the additional facilities completed under the Capital Improvement Program. The facilities are principally in the Matsu Valley and the Kenai Peninsula.

Planning Going through the BRU's, in Planning Mr. Smith noted that there is a decrease in positions shown, but he said that that is in accounting and not in actual personnel. In prior years all positions have been listed in the operating budget, even those funded 100% by the Capital Improvement Program. The Capital Improvement Program funded positions have now been deleted from the operating budget.

Mr. Barber noted that the Department had requested a Park Planner III, which was disallowed by the Governor, but that there is another position shown, too. Mr. Smith said that the additional position which shows is also a Park Planner, which has been funded 100% out of the Capital Improvement Program and will now be 50% general fund monies, 50% federal.

[Mr. Warwick came in.]

Mr. Specking asked about the maintenance figure which is \$310.4 thousand although the department request is only \$60.4 thousand. Mr. Smith explained that they had hoped to implement the trail grant program authorized by the legislature two years ago and had included that amount in their maintenance figure since their instructions had been to include as maintenance anything authorized by law already even if not implemented. However, they had another guideline to follow, that being a certain amount of increase only; and since they could not fit that maintenance figure into the cost guideline they had to delete it from their request.

In response to questioning by Mr. Specking, Mr. Smith said that the legislature had appropriated to them \$25,000 for a Planner. The law said that they had to have a comprehensive plan before starting

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in with the trail grants. Mr. Specking asked what happened to the money and Mr. Smith said that the Department of Administration impacted it.

Mr. Warwick inquired about a situation in Fairbanks around Harding Lake, which is a popular place to go but is bordered by private property which is being used by people using the area around the lake. He wondered if fencing might not be put up. Mr. Smith said that they have gotten some fencing and will be putting it up.

Maint. & Oper.
Mat-su Going on to Maintenance and Operations, the Mat-su District, Mr. Smith said that they are developing a number of new facilities here. Denali State Park is presently under construction and it will have 65 individual campgrounds.

There is a new position in Palmer - a Clerk III - and Mr. Barber asked what this position is for. Mr. Smith said that the main function of this person will be sale of permits.

In response to questioning, Mr. Smith said that they do put time limits on some of their more crowded areas.

Mr. Barber asked if they don't feel that with all the people coming up to Alaska in search of pipeline-connected work their load is going to increase considerably, and Mr. Smith said yes -- that they have an impact budget in for that reason. The budget presently before the committee does not include impact.

Chugach In the Chugach District, there was a new position request -- a temporary park ranger I, and this was allowed by the Governor's budget review.

Kenai-Kodiak In Kenai-Kodiak, all the requested positions were approved. Governor allowed the maintenance level.

Southeast The Southeast District is also basically a "no change" budget, with the exception of several new temporary positions, as in Kenai-Kodiak. Mr. Smith noted, however, that the position of Laborer in Glennallen shown on the short form is in error. That position belongs in the Copper Basin District, not in Southeast.

Copper Basin The Copper Basin District is another BRU that is essentially the same with the exception of the addition of one part-time laborer.

Interior In the Interior District, the only change basically is in the number of man months, there being a reduction in the number of permanent part time positions and increase in permanent full time. The maintenance figure was allowed.

Admin. & Support In Administration and Support, the agency request was approved.

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Design & Const.

Going on to Design and Construction, there is a great decrease shown -- this is due to Capital Improvements Programs completed this year.

Historic Preserv.

Speaking of Historic Preservation, Mr. Smith said that this is a program they would like to see expanded considerably but cannot do it at a maintenance level expense. They are doing principally two things: first, maintenance of state historic preservation areas, and second, administration of historic programs. They have developed a computerized listing of historic sites and this is being used by the native corporations in land selection under the land claims.

Admin. & Sup.

In Administration and Support, there is a new position allowed - an Administrative Asst. II. Otherwise changes are merely reflective of inflationary increases.

Forest Mngmnt

Mr. William Sacheck, State Forester, testified next on the budget for Forest Management, beginning with Fire Suppression.

Mr. Sacheck said that the fire protection and suppression program, which is responsible for the protection of all state and private land from fire, has up until now contracted with the Bureau of Land Management for this protection (except in Southeast Alaska). Because of the increased workload faced by BLM due to protect native lands, the state is now being requested to build up their own fire protection organization. This budget reflects that build-up. Mr. Sacheck noted that this has some advantages, one being simply that this will be a taking of responsibility for Alaskan land by Alaskans. Mr. Specking objected to this, stating that it is Alaskans doing the work anyway and he can see no reason to change a good system. Mr. Sacheck explained that BLM has requested that the state do this as they are going to have much more responsibility coming up and are no longer interested in continuing their contract with the state.

Mr. Specking asked how much money will be saved under this arrangement, and Mr. SACHEK said that the cost will be about the same as before.

Going on to Research and Technical Services, Mr. SACHEK said that there is basically no change. The only increase is inflationary. Funding is 50-50, state/federal.

In Management and Timber Sales, Mr. Specking asked what we get from the sales, and Mr. SACHEK said it was \$1/4 million in 1971, \$400,000 in 1972, \$300,000 in 1973.

In Administration, there is no increase.

Meeting adjourned at 12:00.

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PURB

PART

After Recess
3:12 p.m.

All members were present. Also present were Mr. Jorge C. Hix, Director of Occupational Safety, Mr. Harmon, Comptroller, and Mr. J. A. Witt, Deputy Commissioner of Department of Labor.

PUBLIC
PROTECTION

DEPT. OF
LABOR

Occupational
Safety and
Health Act

Chairman Freeman called the meeting back to order at 3:12. He announced that the committee was about to take up the budget category of Public Protection, OSHA, that category chaired by Mr. Meekins, and that Mr. Meekins would lead the questioning of the witnesses. He asked Mr. Dawson, budget analyst, for his comments on the budget. Mr. Dawson said that the Fiscal Year 74 appropriation was provided to OSHA in one lump sum. As FY 74 began, the appropriation was allocated to six smaller elements. Later, as the fiscal year progressed, they experienced considerable difficulty in accounting to meet federal reporting requirements. Therefore the FY 75 budget for OSHA has been reorganized into allocation levels conforming more closely to federal guidelines. He explained, however, that this makes comparisons extremely difficult.

Mr. Meekins invited Mr. Hix to make some opening comments about OSHA. Mr. Hix said that Congress passed the Occupational and Safety Health Act in 1970, giving the states until December of 1972 to come forth with safety programs of their own. They extended this deadline once, because of all the "red tape" complications, but there was an injunction to stop the extension. In the meantime, Seventh C I inspectors -- in which state inspectors were used to do federal inspections and the federal government assessed penalties and collected money -- were used. Last year CSSB 46 amended was passed, enabling the state to enter into agreement with the federal government to enforce its own safety codes and a plan was submitted to the federal government called 18B plans under a 23G budget. The agreement with the federal government is that the state will furnish half the money in conjunction with the federal government. Federal OSHA will monitor the state program and that is the stage in which the program finds itself now. This began October 15 of 1973. There were thirty days of "free" inspection, without penalties attached, after this stage began.

Mr. Hix went on to explain that when they find violations they must assess penalties. Now these penalties come into the state rather than going to the federal government. He said that he believes this type of program is effective. He said that right now they do not have good statistics because before this program everyone was keeping books on a different basis. He noted however that Alaska is the highest in the country in lost time accidents, on a per capita basis. Some of these is explicable considering much of our industry is high-hazard work. He noted that medical costs in Alaska are extremely high. Even a high settlement in case of accident may not really compensate a person fully. Continuing, Mr. Hix said that he feels that the state is the one who should administer this program rather than the federal government. Both employees and employers will find it easier to reach people to make their complaints if the program

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is administered in Alaska.

Mr. Meekins asked if Mr. Hix had any idea of what effect they have had on violations. Mr. Hix said that they are just getting into this. Of course, he noted, the federal OSHA has been in operation since 1971 and they have lowered the rate some. He said that since beginning their program in October, the state OSHA has assessed a number of penalties. He said that he believes this system will be effective. However he stated that whether it is effective or not, the state is tied to the program due to federal regulations.

In response to questioning by Mr. Meekins, Mr. Hix said that the changes in the budget are in line with the three year program produced by the OSHA provisions passed by the 1973 State Legislature, and that they essentially relate to health. The major change is caused by the establishment of a laboratory facility and the position of a Chemist I to begin that program. He noted that the industrial health part of the program becomes functional as of April 1, 1974, and stated that environmental health is the area in which 60% of employee complaints nationwide occur. This includes problems such as noise levels, mercury, corrosive liquids and gases, etcetera.

Mr. Charney entered the meeting.

Mr. Meekins asked for the difference between the Department request and the maintenance budget and Mr. Hix said that the Department had requested two positions, a safety inspector for Nome and a clerk typist III.

Mr. Saylor asked where the largest part of the \$273,000 increase is coming from and Mr. Hix said that half of this is federally funded. The lab facility and the three new positions constitute much of the change. He stated, also, that this is the first time the Bureau of Labor Statistics has been under this budget.

Mr. Meekins invited Mr. Harmon to make comment on the general budget arrangement. Mr. Harmon briefly explained the history of the OSHA program and budgeting and noted that because of the changes in the budgeting procedure necessitated by conformance to federal budgeting, it is this year difficult to do more than a total dollar reconciliation of the budgets, but that in the future dollars and program performance will be more easily tracked.

Mr. Meekins asked about the Chemist position. Mr. Hix said that it is for the laboratory and that expenses here will be matched by Health and Social Services. This position is

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carried on the Dept. of Labor budget but they will be reimbursed for 50% of the Chemist's salary.

Mr. Warwick asked if they have to meet certain standards with the three year plan and Mr. Hix said yes. Mr. Warwick asked if the federal government will continue sharing the costs until that time is up, and Mr. Hix said yes, that until the three years is over and the state plan fully implemented, the federal government will be "looking down our necks." Mr. Warwick asked if the standards set up by the federal government have anything to do with the rate of accidents and Mr. Hix said no, the number of inspectors is not tied to the accident rates. Mr. Witt said that they have just published information on how they intend to monitor state inspections. They will look at how many inspections have been made, how many hours spent, what dollar penalties are assessed and the number of violations reported.

Mr. Warwick asked how many dollars of penalties have been assessed and Mr. Hix said a small amount at this point because they really have been in operation only a small amount of time. Out of 125 inspections, 50 have carried moderate penalties. Mr. Warwick asked what moderate is, and Mr. Hix said around \$100.

Mr. Hix was asked about the Impact Budget and how it differs. He answered that they calculated they would need 12 people total distributed along the pipeline route (3 in voluntary compliance). Asked if there are any restrictions as to how fast the agency can grow, Mr. Hix said no. Mr. Warwick asked if the program could decrease, and Mr. Hix said that if it could be proven that the operation was still effective. (This question directed at possibility of putting on additional personnel only until pipeline impact was diminished.)

In response to questioning by Mr. Ose, Mr. Hix said that plant atmospheric conditions are one area of complaint where inspection is needed. Mr. Ose said that he has heard that if some of these laws are strictly enforced, many small operators will have to close. He asked how true this is. Mr. Hix said that it is like any other law in this matter. If you "knit-pick" you can find many guilty. He said that this is one of the reasons he prefers that the state be handling OSHA itself, since people in the state are aware of what is and what isn't realistic.

Mr. Witt said that the statute is written so that violations and penalties are not assessed if they are technical. Basically, you can go into a place of business and find violations of a safety standard but if it does not have an immediate relationship to health, they will not assess penalties. He further stated

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that the state has a voluntary compliance program. This does not exist on the federal level. They have four safety consultants who will go out to an employer and bring a worksite up to standard, on request.

Mr. Ose asked if the labor unions work closely with this and Mr. Hix said that OSHA does talk with them.

Mr. Barber asked what the systems analyst does. Mr. Harmon said that he is concerned with applying data processing capabilities to administering the program and collecting data. They are to devise a management information system.

In response to questioning about the pipeline impact, Mr. Hix said that he did not know if OSHA will be able to get enough people to cover everything.

Mr. Barber asked in the case of construction projects, if the general contractor or the subcontractor is held liable in case of accident. Mr. Hix said that although the general contractor should be responsible for safety, when it comes right down to it, they would have to fine the subcontractor if he were responsible for putting a man in a position of danger.

Adjourned

Meeting adjourned at 4:45 p.m.

HOUSE FINANCE COMMITTEE

February 4, 1974

4:15 P.M.

PRESENT

All members of the Committee. Commissioner Emmitt Wilson, Department of Commerce, and the following members of his staff were present: Mr. John O'Shea, Director of Insurance; Mr. Jim McNamara, Deputy Director of Insurance; Lois Cook, Administrative Officer; and Lorraine Bear. Mr. Myrt Charney, Director of Budget and Management was also present.

PUBLIC
PROTECTION

Sub-Committee Chairman Meekins called the meeting to order, and asked Commissioner Wilson to begin testimony.

DEPARTMENT
OF COMMERCE

Division of
Insurance

Commissioner Wilson stated he would start by giving an overview of what was requested under the Division of Insurance. He said that last year the Division was authorized \$224,700 for FY 74. The breakdown was: \$179.3 in Personal Services, \$7.6 for Travel, \$33.8 in Contractual, \$3.8 for Commodities, and \$.2 for Equipment. This year the Governor has authorized them \$245,000.

The Commissioner said the \$245,000 against the \$224,000 was basically inflationary increases within the budget request. Most of that is made up in the difference of what they are now paying in rent at their present location from what they will be paying for ASHA payments when they move to the new State Office Building. They will be paying another \$19.4 in ASHA payments.

Mr. Specking asked where they were located now, and was told it was in the Golstein Building.

Ms. Cook noted it was a 12% increase.

Mr. Freeman asked whether there was anything in there on the impact budget, and the Commissioner said there wasn't for Insurance.

Mr. Warwick asked how many square feet his Department had now, and how many they were getting. Mr. Wilson replied they had approximately 10,000 square feet now, and are very cramped, particularly in the Division of Insurance. Presently, they are paying 60¢ a foot. When they move they will be getting considerably more space--13,000 square feet. That will allow them to expand.

Mr. Charney pointed out that when the ASHA bonds were sold, the term of the bonds was shortened for the new State Office Building--the term of the bonds was for 13 or 15 years. He couldn't remember off-hand which it was.

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Mr. Freeman asked the total cost to amortize the building, and Mr. Charney said he would get that information for him.

Mr. Meekins asked how their budget would be effected if they were to pass No Fault Auto Insurance. Mr. Wilson replied that they had done a fiscal note on it, which had been in the neighborhood of \$18,000 minimum. In the event this were to pass, it would be a like amount plus inflation, depending on the type of No Fault that were to pass.

Mr. O'Shea went on to say that although their budget request was only up from last year because of inflation and rent increases, due to austerity concerns, the business of insurance has picked up appreciably and revenue which they are bringing in is up. They are operating quite a large business, and really should have more personnel.

Mr. Freeman asked what percentage of their overall budget was attributable to increases in rent. Ms. Cook said the Governor had allowed an 8% increase.

Mr. Specking commented that it wasn't often they got people in the Committee who were making money for the State. He thought that realistically, the Committee should be aware of the Department's needs even if they were beyond what the Governor had allowed.

The Commissioner admitted that they did have some needs in addition to what the Governor had been able to allow in his budget request. They felt a dire need for statistical clerical work for assistance in computation of a lot of the rate structures that insurance companies submit.

Mr. O'Shea noted that one of the problems they are confronted with is the converting of all of their records to a micro-film system. With their present personnel, it will take them three years to convert. In the field of investigation they don't have enough investigators to make sure that the insurance people are paying all of the proper taxes required. There simply isn't enough staff to go through all of the statements. There aren't enough people to properly research all of the insurance sales. He felt that with additional staff doing the work, they could generate more than enough money to pay for their salaries. As far as the consumer was concerned, they didn't have enough people working for them so that they could advertise their services. He thought it desirable that the public be advised on insurance.

Mr. Specking asked how many people they were talking about. Mr. O'Shea replied that they had put in for one additional employee this year on an austerity basis. In order to do

everything, 3 or 4 would not be unreasonable.

Mr. Ose asked when they would move into the new building, and was told it would be in June.

Mr. Meekins asked whether they would start paying rent in June, and was told it would start on July 1.

Mr. Meekins said they would go on to discuss Administration and Support.

[Mr. O'Shea and Mr. McNamara left at this time.]

The Commissioner stated that in 1974 they received \$209,400 for the Commissioner's Office. Of that \$170,000 was for salaries. They are now requesting \$250,700, the difference being basically ASHA rent plus fire insurance etc. The comparison is \$39.5 for the new building versus \$13.1 in the Goldstein.

Mr. Warwick asked how many square feet the administration would have. The Commissioner answered they would have considerably more than they do now because they have asked for a Conference Room.

Mr. Freeman asked about the increase in contractual. Mr. Wilson told him there was an increase of \$25.3 for ASHA, \$1.0 for insurance, and \$2.7 for an additional Mag-Card typewriter, \$2.0 for telephone services, and \$1.7 was inflationary.

After some general discussion on which departments would be moving into the new building, and how much space they would be getting, Mr. Saylor requested Mr. Charney to make a transmittal giving a list of the people moving into the new office building, showing where they are coming from, the amount of square feet they are using now and the amount of square feet they will be getting. He also wanted to know what the ASHA payments would be and in addition he asked to know about moves which other state offices were making even if they weren't into the new building.

DJOURN

Meeting adjourned at 5:00 P.M.

HOUSE FINANCE COMMITTEE
February 5, 1974
1:45 P.M.

PRESENT

All members of the Committee except Mr. Haugen, Mr. Ose, and Mr. Ferguson. Mr. Jim Doogan, Director of the Alcoholic Beverage Control Board, and Mr. Jerry Couzins from his office, were also present.

PUBLIC
PROTECTION

Chairman Freeman called the meeting to order and turned it over to Mr. Meekins, Chairman of the Sub-committee on Public Protection.

ALCOHOLIC
BEVERAGE
CONTROL
BOARD

Mr. Meekins asked Mr. Doogan to begin testimony.

Mr. Doogan said that the budget requested was 38.5% over the FY 74 appropriation. He said it didn't do much in view of inflation. He said that as the Committee was aware, this past summer, his office was subjected to vigorous investigation by the Drug Abuse Committee of the Senate. He pointed out that they are understaffed at least as far as their office was concerned. They have been trying to indicate that for the past three budget submissions. As a result of that special investigation, he had submitted a budget to the Budget and Audit Committee and explained--as he had explained to members of the Senate at the hearing--that they were a creation of the Legislature and if they are to do their job officially, they are going to have to have their office staffed.

Mr. Doogan reminded the Committee that in 1971 the laws had been changed, and this had resulted in a tremendous work load on their office. The ABC office has traditionally been staffed by two women, and it was now impossible for them to keep up with the paper load in that office. It has been necessary to bring the Investigators in and make them do the clerical work. There has been no other way to get it out. One of the Investigator positions has been vacant. They couldn't fill the position because they had to bring in extra clerical help to take care of the paper load.

Mr. Doogan said he had asked for six positions. He put them down by priority and hoped that if the Committee felt it necessary to whittle their budget down, they would respect the priorities. Their main priority is to get the proper staff in the office so they can release the Investigators to do the job they are supposed to do.

Mr. Warwick asked what type of work the Investigators did, and Mr. Doogan said they make surveillance of the community's

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police force and bars (owners and patrons). He went on to say that police forces in all organized cities get repaid for all license money collected in their locality. It is given back to them in order for them to police. It is the ABC Board's job to see that the police force is doing that. They conduct investigations into illegal activities and the bars. They keep people who can do something about it informed.

Mr. Warwick asked for an example of illegal activities. Mr. Doogan explained that last week they picked up a truck that came to Anchorage with 350 cases of Coors Beer. They also go into bars and watch to see how they handle their problems. They watch what the police do when they go in and out of the places.

Mr. Warwick asked why the local governments didn't do it. Mr. Doogan said they were supposed to. The ABC Board doesn't want to be a police force. They are more of a surveillance force. He told them that the City of Anchorage gets \$100,000 a year for policing the liquor industry, but if the City of Anchorage didn't do anything about policing minors and serving drunks, etc., it is something the ABC Board would want to know about. Then they could get the Commissioner to withhold funds until they do something about it.

Mr. Freeman asked whether some of the new positions they were requesting would help them to collect more money. Mr. Doogan said that some of them would. He said that in that regard it didn't matter which they allowed or disallowed. Either they would hire an investigator or hire a woman to take the place of an investigator in the office to release the investigators that are there so they could be investigators.

Mr. Freeman asked why they needed more people if they didn't have more licenses. Mr. Doogan replied that back in "the good old days" when they wanted to police a licensee, it was possible for them to just go in and close the place down for seven days. Now it is written into the law that they have to go through administrative procedures. Secondly, when the law changed in 1971 it automatically tripled their paper work.

Mr. Warwick stated that all of the money brought in by the ABC Board would come in regardless of whether or not they had an ABC Board, because it was a job of the Department of Revenue.

Mr. Doogan said that was right, but somebody had to do the work.

Mr. Couzins said that the Department of Revenue had nothing whatsoever to do with it. The ABC Board handles all of the paper work, does all of the directing and checking to see if

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the licenses go out. After they have done all of the work, they send a "settlement" letter to the Department of Revenue.

Mr. Warwick asked what a beverage dispensary was based on. Mr. Doogan replied that referred to cocktail bar licenses. In communities with over 1500 people, licenses were \$1,000 each. If the community had under 1500 people, licenses were \$500 each.

Mr. Warwick noted that as far as adding additional staff on to bring in additional revenue, that wasn't the case. Mr. Doogan said that was right.

Mr. Meekins brought out the fact that they had just moved. He asked whether there was a significant difference in rent. Mr. Doogan said they had been paying 55¢ a square foot and now they were paying \$1.10 a square foot. He said they had been evicted from their old place. They were tenants of the Dept. of Revenue and the Department of Revenue and Sparks (the owner of the old building) had had a disagreement.

There was some general discussion about the eviction.

In answer to a question from Mr. Meekins, Mr. Couzins said that according to the statutes they are required to inspect every licensed establishment in the State at least once a year.

Mr. Meekins asked whether they have been able to do that, and Mr. Doogan said they hadn't been able to. He added that they hadn't visited them all yet this year and there was a question as to whether they would be able to.

Mr. Saylor asked if there were some areas they visited more often, and was told there were.

Mr. Barber asked whether they had given any thought to possible impact on the operations of the ABC Board due to pipeline impact.

Mr. Doogan thought that if they were given the positions requested, they would be in reasonable shape.

RECESS

Meeting recessed at 2:25 P.M.

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HOUSE FINANCE COMMITTEE

February 5, 1974

2:35 P.M.

PRESENT

All members of the Committee except Mr. Haugen, Mr. Ose, and Mr. Ferguson. Mr. Stanley Howitt, Assistant Attorney General supervising the Consumer Protection Section for the Department of Law, and Michael Petersen, Assistant Attorney General from the General Civil Section, were also present.

PUBLIC
PROTECTION

Consumer
Protection

Sub-Committee Chairman Meekins called the meeting back to order and said they would go on to discuss the Consumer Protection Budget. He asked Mr. Howitt to begin testimony. Mr. Howitt said that the maintenance figure of \$119,300 represented the cost of maintaining the existing number of positions and offices currently funded under the FY 74 budget plus inflation.

He went on to say that they wanted a new Fairbanks Office. During the months of November 1972 through June 30, 1973 approximately 40% of the consumer protection activity took place in the Fairbanks area. During this period 1029 contacts occurred in Fairbanks. This resulted in 241 complaints being filed. 180 of the complaints were closed and 63 were pending on July 1, 1973. In Fairbanks, from July of 1973 to the present they have had 1,025 contacts, which is 100% over last year in only half the time. The value of recoveries for this year for Fairbanks has been \$22,374. (last year it was \$24,000.)

Circumstances require the department to request the establishment of a consumer protection section in Fairbanks. They have requested an attorney to direct investigations and prosecute alleged violations, an associate attorney to carry on investigative activities and a legal secretary to provide the necessary clerical services.

They have requested an associate attorney position in Juneau in order to broaden coverage in other communities in Southeastern Alaska and to provide research and investigative support to the Juneau Attorney.

He pointed out that there was going to be a great pipeline impact: already there are three more employment agencies they consider bogus, and which they will probably take action against. He said there was no question about fly by night operations and falsified jobs that would be cropping up, and it will be necessary for them to take action against them.

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There was general discussion about the types of operations he was talking about: fraudulent franchise opportunities, employment agencies trying to take advantage of job opportunities, mobile home centers using double bills of sales, nationwide influx of businesses, itinerant salesmen, phony advertising, fake catalog houses...

There was discussion concerning the obligations of the State on bailing out businessmen who make bad deals because of these fraudulent businesses. Mr. Freeman didn't think it was up to the taxpayer to pay for losses of people trying to make a fast buck.

Mr. Howitt thought there was a difference between losing money in a fair deal because of a lack of business sense or for any other above board reason, and losing money through fraud. He felt that these people were using the free enterprise system in a way so as to defraud other people. It was happening nationwide, and was not the same thing as an honest deal.

Mr. Warwick asked if the Committee could be supplied with information as to what the cases were. Mr. Howitt said they could, but not by name, because it was confidential by statute. He explained that sometimes parties involved in fraudulent deals were not brought to court. They try in some cases just to stop the practice.

Mr. Warwick then asked if they could be supplied with a summary of the 240 complaints from Fairbanks.

Mr. Specking asked if they made deals with people to stop fraudulent practices by not exposing them. He was told that was true. Mr. Specking said he found fault with that.

There was further general discussion.

RECESS

Meeting recessed at 3:30 P.M.

HOUSE FINANCE COMMITTEE
February 5, 1974
3:31 P.M.

PRESENT

All members of the Committee except Mr. Haugen, Mr. Ose, and Mr. Ferguson. Mr. Emmitt Wilson, Commissioner of Commerce, and the following members of his staff were also present: Mr. Ray Roady, Director of Occupational Licensing; Mr. Bill Ladwig, Deputy Director of Banking; and Lois Cook, Administrative Officer.

PUBLIC
PROTECTION

Sub-Committee Chairman Meekins called the meeting back to order and said they would go on to discuss the Occupational Licensing budget. He asked Mr. Wilson to begin testimony.

DEPT. OF
COMMERCE

Mr. Wilson stated that the Division of Occupational Licensing was basically a division that administers all professional Boards. There are some 20 odd Boards that the Division has the responsibility for licensing and they do all of the administrative and budgetary services for the boards .

Occupational
Licensing

The Division is now serving 20 boards and commissions covering 20 separate licensing areas. These services are provided by 12 employees in Juneau who license and examine applicants and an investigator staff of two in Anchorage.

Mr. Ladwig stated that it required 100 board members to serve these people who become qualified and want to be evaluated based upon their qualifications. The Statutes require the Division to provide these services at least once a year or more often as required. He explained that if there was a group of people who felt eligible for licenses, to delay them from getting licenses is to deprive them of a livelihood for that length of time.

Mr. Ladwig said that the 20 boards served at the pleasure of the Governor at their own expense except for travel and per diem to wherever their services are needed.

Mr. Wilson gave a brief outline of the FY 75 request versus the FY 74 allocation. The authorized FY 74 was \$282.6, the majority of that was approved for personal services which consisted mostly of clerical type assistance which they have to provide to the various Boards. Of the rest, \$52,000 was in Travel, \$57,000 was in Contractual, \$3,500 was in commodities, and \$500 was in Equipment.

This year, they have requested \$356.6. That is basically made up of one new clerical request plus making up for the position which they transferred into the Division from another Division.

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So, in fact, they have to have two positions, the one which is new, and one which was transferred in after last year's appropriation. The reason they need the additional positions is because they were given additional responsibilities in Game Guid licenses and the Opticians Board as well as Architects and Engineers.

Mr. Wilson explained that they have had the Architects and Engineers for some time, but they always funded it through contractual services, and the Legislature budgeted it a couple years ago in a way that required them to transfer from contractual services to personal services.

Thus, they had three additional boards placed upon them without any new positions appropriated for. They had been in a predicament. They didn't have sufficient money for employees, so they transferred a position from the Division of Banking which they felt they could temporarily afford to do because of a transfer and consolidation of a number of positions. The Division of Banking would need it back again in FY 75 in order to utilize a transfer up to Anchorage. He explained that they planned to move a Securities Officer up to Anchorage this year and they would need the clerical position along with that.

Mr. Wilson said that in addition to the two positions, they are requesting additional money to cover the ASHA situation. The ASHA payment difference accounts for about \$14.5 of the increase. The positions mentioned earlier account for \$20.2. The difference in budgeting in Actual versus Average in personal services accounts for an additional \$13.0. The rest is basically inflationary.

[Mr. Haugen arrived at this time.]

Mr. Meekins questioned contractual services. Mr. Ladwig said that they paid professional examination compiling people for examinations. The cost of obtaining professionally compiled examinations is carried under contractual services. He went on to say that their Division has to hire monitors and space to hold the examinations in.

Mr. Meekins asked how many people in Alaska are licensed in some form or another. Mr. Ladwig replied that they have 14,000 licensees.

Mr. Ladwig added that they are also required by the Administrative Procedure Act to promulgate regulations for these Boards.

In answer to a question from Mr. Freeman, Mr. Ladwig said that they had 14,000 licensees last year, but they expected not less

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than 16,000 this year. The licenses amount to around \$1/2 million each year.

Mr. Warwick brought up the matter of the Executive Secretary which the Board of Realtors was trying to get. They had a bill in the House which was trying to make it a part of the statutes.

There was some discussion on this. Mr. Wilson said that every Board would like to have one, and that there were seven or eight other Boards with the same amount of work and just as much responsibility. He had been trying to convince them to hire an Executive Secretary within their own association.

Committee discussion followed.

RECESS

Meeting recessed at 4:10 P.M.

After Recess
4:20 p.m.

PUBLIC
PROTECTION

DEPT. OF
PUBLIC
SAFETY

Division
of Fire
Safety

All members were present with the exception of Messrs. Haugen, Ferguson, and Ose. Also present were Lt. McLaughlin, Commander of Technical Services, Mr. Gordon Brunton, Regional Fire Marshal, Mrs. Vona Hall, Fiscal Officer for the Department of Public Safety, and Mr. Wellington, Commissioner of Public Safety. Budget and Management personnel were also present.

Chairman Freeman called the meeting back to order and turned it over to Mr. Meekins.

Mr. Meekins asked Mr. Brunton, Regional Fire Marshal, for his comments on the 1975 budget. Mr. Brunton said that the 1975 budget is essentially a maintenance budget except for one new position -- a new officer to fulfill the requirement of reviewing plans for new construction and alterations and renovation plans of existing buildings. \$319,500 is the final budget figure for Division of Fire Prevention. This is about a \$31,000 increase over last year.

Mr. Warwick noted that the Maintenance figure given is \$316,000 and felt that with a new position included, this was not his idea of "maintenance." He asked what the Department considers maintenance, stating that if the department and the legislators have a different concept of what maintenance means, there could be some problems. Mrs. Hall answered that they consider a maintenance level that which is required to do the job being done without adding new activities. She said that currently these plan reviews are being done by people hired to do other work, but that it is required that these plans be reviewed so the people have to set aside some of their other work. Mr. Warwick said that it is his understanding that maintenance is the cost of providing the same level of service, and noted that it seemed to him by hiring this position, they would be freeing the other people to do more than they are presently doing -- in other words, thus increasing the level of service.

Mr. Brunton stated that the Fire Marshal has five priority areas: inspection, investigation of fires, training function, plan review, and fire prevention through education. He said that they have a staff of 12 people, seven of whom are considered to be field staff. They have had 310 plan reviews this year and average five hours going over each plan. This is over 1500 hours of time being taken from other functions. He said he especially feels education is suffering. He said that he feels hire of a Plan Review Officer would still be part of a maintenance program.

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Mr. Warwick asked what kinds of plans are reviewed and Mr. Brunton said any commercial, industrial, public utility, or residential building of four-plex size or larger. This includes schools, hospitals, recreational facilities, nursing homes. He said that recently they have had a real surge due to Pipeline preparation. Mr. Warwick asked if this plan review is required and Mr. Brunton said yes. The Division gives approval or they say what changes or additions must be accomplished in order that final approval be given.

Mr. Brunton stated that one of the things the Division is not accomplishing is getting out into the field.

Mr. Meekins asked about state buildings and whether or not the Division reviews their plans. Mr. Brunton said yes, that they go over the plans with the Division of Buildings and make comments and suggestions.

In answer to questioning by Mr. Meekins, Mr. Brunton said that a great majority of fire fatalities in Alaska are in the native population, although not necessarily in rural Alaska. This was felt to be related to an alcohol problem. He noted that property damage per person in Alaska averages out to \$50, quite an unfavorable figure when compared with an average of \$15 stateside. One of the primary reasons for this is that there is very little fire protection in most of Alaska. There are only three cities which have fully paid fire departments. Much of Alaska is without fire departments at all.

Mr. Specking said that he felt part of the reason the state has a high fire damage and fatality rate is simply because of the climate and the fact that there are longer periods of time when furnaces, fireplaces, stoves, etcetera, are in use. Mr. Brunton said, however, that areas with similar climatic conditions do not have the high fire rate that Alaska has.

Mr. Meekins asked if the greatest fire loss is to private homes, and Mr. Brunton said no, but that the greatest number of fatalities take place in homes. Mr. Meekins asked what kind of local inspections are made and Mr. Brunton said that they cannot go into private homes. They only legally inspect residential facilities if they contain four dwellings or more. He said that even at the local level, they can only go in on invitation and make recommendations. Mr. Meekins asked about the effectiveness of volunteer inspection programs, and Mr. Brunton said that they have proven very successful in other parts of the country where they have been instituted. He noted, however, that inspections require a great deal of time and would require many more field inspectors than the Division has.

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Mr. Meekins asked what is being done as far as fire prevention training is concerned, particularly at the elementary school level, and Mr. Brunton said they do think highly of these elementary school programs, but that here again, time and personnel are a problem.

Mr. Freeman asked if there weren't a number of volunteer fire chiefs serving as fire marshals, and Mr. Brunton said no, that the city fire chief may enforce fire codes but that the regulation was repealed which made them fire marshals. Now the statute just says that the chief may assist in enforcing the state fire code. Mr. Freeman asked why it was repealed and Mr. Brunton thought possibly because of the impression given by the arrangement that the chief was a state employee and therefore the state would be liable and responsible for his actions.

Mr. Saylor suggested paying for volunteer firemen to do home inspections -- perhaps at a rate of \$3 or \$4 per inspection, which would be in keeping with what they are paid per drill and fire call. Mr. Brunton said that he did not feel that would necessarily be attractive to the firemen, particularly in light of the fact that they are often people with many other obligations, families, and limited time. He stated that even getting fires reported within 10 days, which is a regulation, is not always accomplished.

Division of
Traffic
Safety

Drivers
Licensing

Lt. McLaughlin was invited to make some opening comments on the Traffic Safety Division. He stated that the Driver's License Program went from 9 to 26 stations this year, a 17 station increase. He said that they also have some regulations drafted on classified licenses, and that is now in the Attorney General's Office, being reviewed. The point system, he continued, is being worked on but is not yet in operation. Mr. Meekins asked when they anticipate it being ready, and Lt. McLaughlin said sometime in FY 75.

Taking a look at the budget, Mr. McLaughlin said that they have requested two positions; one is a transfer from the Commissioner's Office and one is a new position.

Mr. Warwick asked who is staffing the new stations and Lt. McLaughlin said that state troopers and revenue officers are. Mr. Warwick asked if they are prorating some of their salary from this budget and Lt. McLaughlin said no, that it does not reflect in this budget.

Mr. Barber expressed concern over troopers wasting time supervising offices, mentioning that this is what he had found in Anchorage. He wondered if this was standard procedure. Lt. McLaughlin said that it is not, but that the case to which Mr. Barber referred

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was a three week period during which the trooper in question was training the office supervisor.

Mr. Warwick asked the reason for the increase in contractual services. Mr. Wellington said that this is for a contractual agreement with Poloroid, for the Driver's License photos. He said that this is the only way that they could expand up to the 26 stations. Mr. Barber asked if they furnish individual identification, too, and Mr. Wellington said yes. Mr. Warwick asked how the money to Poloroid is determined, and Mr. Wellington said that they pay per completed license or ID card.

Suspension
Hearings

Moving on to Suspension Hearings, Mr. Meekins asked for an explanation of that. Mr. Wellington explained that under the Administrative Procedures Act, they have to provide the opportunity for hearing of any licensee whose license is going to be suspended, and that the hearing must establish that a reasonable possibility exists of a judgment holding the licensee liable. Mr. Wellington stated that there were no funds budgeted for this program in FY74 because it was assumed that no-fault insurance legislation would pass the legislature, which would have repealed the financial responsibility law. However, the law did not change and the program has operated from Federal Traffic Safety monies during FY 74 -- essentially "limping along."

Mr. Wellington was asked if no-fault is enacted, can the program be done away with. Mr. Wellington said that there is a difference of opinion in this.

Mr. Warwick expressed concern over the Outside Travel budgeted for the Administrator of this program. He questioned how necessary conferences in Colorado, New Mexico, etcetera, were. Asked where the Administrator of this program is listed, Mr. Wellington said that he is under the Commissioner's Office.

Project
Coord.

Going on to Project Coordination, Mr. Wellington said that this is primarily an operation of the Traffic Safety Program. The Governor has designated the Commissioner as federal representative. The funds are administered by the Department through strict federal guidelines. Mrs. Hall said that all the projects have their own match ratio. Mr. Warwick asked whether this program is required by the federal government and Mrs. Hall said yes. They give the state the Highway Safety money. The Department of Transportation has required participation of the states and certain Highway funds will not be allocated without the program. Mr. Warwick asked what the program operation has been, what it has accomplished. Mr. Wellington said that they have bought ambulances and provide a section of training at the Trooper Academy in ambulances.

Adjourned: Meeting adjourned at 5:20 p.m.

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HOUSE FINANCE COMMITTEE

February 6, 1974

1:35 P.M.

PRESENT

All members of the Committee except Mr. Ferguson and Mr. Warwick. Mr. Gordon Zerbetz, Commissioner of the Public Utilities Commission, and Ms. Lois Cook, Administrative Officer, were also present.

PUBLIC
PROTECTION

Chairman Freeman called the meeting to order and turned it over to Mr. Meekins, Chairman of the Sub-Committee on Public Protection.

DEPT. OF
COMMERCE

Mr. Meekins asked that they run through the BRU for the Public Utilities Commission.

Public
Utilities
Commission

Ms. Cook stated that the Governor's Allocation of \$633,900 was the maintenance level with no new positions and no increased cost. She noted that they had requested a Pipeline Impact Budget of \$112,300 which was approved by the Governor. \$100,000 of that is for the Pipeline Commission. She said that two positions in the current budget were transferred to the Pipeline Impact budget by the Governor. That is why their budget request seems to show a decrease.

Mr. Zerbetz explained that the two positions included a legal secretary and a clerk typist. These positions hadn't been filled in about eight months. However, they did hire an accountant on a temporary basis because the duties of the legal secretary more or less involved accounting procedures. This person happens to be half of his auditing force over at RCA right now.

Mr. Zerbetz thought it might be a good idea if he explained three things which had happened to the Commission and the State within the three weeks following their budget submission.

First, he called their attention to the awareness they have had of the additional expenses due to the fuel crisis and energy crunch on many of the small utilities throughout the State. He predicted there would be more rate cases before the Commission than they have seen so far. The cases are going to involve small utilities that in turn involve a lot of small customers.

Secondly, a very significant rate increase has been requested by RCA-Alaska. The Commission is pitting a small staff against one of the largest corporations in the United States. However, he stressed that they were going to continue the investigation of this utility with aggression, and determine what the rate base will be. That was taking a tremendous amount of "horsepower" which he hadn't anticipated this year.

Mr. Freeman asked about the Pipeline Impact, and Mr. Zerbetz stated that the pipeline impact was on the Public Utilities Commission at the present time. The interim portion of the pipeline Communication project is starting out right now at \$6 million. The Contract is \$17 million + for the Interim System. The actual contract is now in the hands of participating oil companies and is estimated in excess of \$100 million. He explained that it was more than 170 pages right now and that the agreement on it was going to have to materialize during the next month.

Mr. Specking asked whether there was any potential for statutory change that could let the small utilities automatically pick up these additional fuel tax without going through arduous proceedings or rate hearings.

Mr. Zerbetz said they had done that already. They have provided for a fuel escalation clause, but since this has to be reviewed very carefully, they have put a 30 day "buffer" clause in there which gives them a 15 day period to go in and review it.

Mr. Specking didn't think that anything the Legislature did or didn't do would change the raising of the price of fuel. Mr. Zerbetz agreed, but said it was the Commission's responsibility to see that nothing more than the "bare bones" cost was passed on to the public.

Mr. Specking asked whether the Interim System would become a public utility. Mr. Zerbetz said that it would. That was why they had strongly urged Alyeska Pipeline Co. to make it a common carrier system. It would have been easier for them to go on industrial radio frequency, but that would have meant the State would have to put in another duplicating system. He said Alyeska would be a public utility common carrier system and this will allow RCA to tag along the rest of the common carrier trade.

The third thing to happen to them since the submission of the budget was the announcement by the Department of Defense that the A route of the White Alice was going to be shut down. The A route stretches from near Anchorage to near Ketchikan, and all the communities along the way will be affected by this. They are trying to get the Department of Defense to continue the A route so that there can be a reasonable turn down of RCA facilities. This is another rate change they are going to be faced with during the next year.

Mr. Meekins asked what utilities were under the PUC, and Mr. Zerbetz tol him it included electrical utilities telecommunication utilities, gas utilities, water & sewer utilities, and garbage utilities.

RECESS

Meeting recessed at 2:15 P.M.

HOUSE FINANCE COMMITTEE

February 6, 1974

2:16 P.M.

PRESENT

All members of the Committee except Mr. Ferguson and Mr. Warwick. Mr. Frank Adkins, Chief Inspector for the Weights and Measures Section of the Department of Commerce, and Ms. Lois Cook, Administrative Officer, were also present.

PUBLIC
PROTECTION

Sub-Committee Chairman Meekins called the meeting back to order and stated that the Weights and Measures Section's budget was under discussion.

DEPT. OF
COMMERCE

Weights &
Measures

Ms. Cook stated that the major increase in their budget request was for a mobile homes Analyst. She explained that two years ago when the Legislature passed the Mobile Homes Act, that put the regulation of inspection and plans design with the Section of Weights and Measures. To this point they have absorbed the cost, but they won't be able to do it any longer. The amount for the position is \$15,700 and this brings their total request up to \$546,700. She noted that their pipeline impact budget request was \$104,900.

Mr. Meekins asked if there were any additional scales, and was told that there weren't. Mr. Adkins explained that the one position for a motor vehicle inspector was in Valdez, and the other three would be mobile in order to cover trucking operators who did not pass through scale houses.

Mr. Meekins asked about the need for the plan and design analyst.

Mr. Adkins said that was the mobile homes analyst which Ms. Cook had referred to. Since the Mobile Home Act passed, they have kept documentation of the hours their section has had to spend and it has amounted to about 2.5 employees.

Mr. Adkins stated there were 60 to 70 manufacturers of mobile homes. These homes have to be inspected for structure, design, electrical and heating systems, etcetera. In addition, the manufacturers change models each year, so the inspections have to be performed each year.

There was general committee discussion about scales.

RECESS

Meeting recessed at 2:35 P.M.

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HOUSE FINANCE COMMITTEE
February 6, 1974
2:45 P.M.

PRESENT

All members of the Committee except Mr. Ferguson and Mr. Warwick. The following people were present from the Department of Commerce: Mr. Robert Rocker, Chairman of the Transportation Commission; Mr. Ben Casey, Assistant Chairman of the Transportation Commission; Mr. Quentin DeBoer, one of the Commissioners of the Commission; and Lois Cook, Administrative Officer.

PUBLIC
PROTECTION

Sub-Committee Chairman Meekins called the meeting back to order and stated they would discuss the budget request for the Transportation Commission.

DEPT. OF
COMMERCE

Transportation
Commission

Mr. Rocker went briefly over the budget request. He said the basic maintenance level for FY 74 is actually less than that of FY 73. They have no new positions, and just a slight 5% inflationary factor added on commodities and supplies. The reason the request is lower is that in 1973 the Legislature granted \$15,000 in addition to the maintenance level for them to be able to assist the smaller communities in the CAB bush case, so they subtracted the \$15,000 from their level for this year.

Mr. Meekins asked if they had a pipeline impact budget, and was told that they did.

Mr. Meekins asked about the in-state travel. Mr. Rocker explained that the Commission handles all applications for motor carriers and air carriers throughout the State and holds hearings throughout the State. When they have a hearing, the Hearing Officer and a recording secretary both travel. During the past year over 200 hearings were heard.

Mr. Rocker told the Committee that they are still trying to get orders out for the past 39 hearings held. In addition, applications are just pouring in.

In answer to a question from Mr. Ose, Mr. Rocker replied that field agents were enforcement personnel which were direly needed to protect the public from unauthorized carriers that come up to Alaska without operating authority. They ususally have unauthorized equipment.

Mr. Specking asked the total impact figure, and Mr. Rocker said it was \$155,900.

Mr. Meekins asked how the Commissioners spent their time. Mr.

2/6/74

Rocker replied that the three commissioners probably spent 50% to 60% of their time on formal decisions and hearings, and about 30% of their time communicating with the industry.

Mr. Meekins asked if the Administrative Procedure Act mandated them to have hearings. Mr. Rocker answered that it was required if somebody protested an application.

Mr. DeBoer explained that the Commission had to advertise applications. Then there were 20 days in which to protest it. After it has been protested, the Commission looks over the protest to see if it is in the public interest, if it isn't, they can dismiss it. Otherwise they must set it for hearing. If there is no protest, they may or may not hold a hearing, depending on whether they felt it to be in the public interest or not.

He went on to say that last year they received 329 applications, and they held 198 hearings as compared to 98 the year before.

Mr. Ose asked about transfer applications, and was told that the Commission still had to inquire into the fitness and willingness of the transferee.

Mr. Specking asked if it wasn't possible that big companies would want to indirectly buy up small permits. Mr. Rocker replied that was one of the big problems before them, particularly in air matters. They have consistently found that it wasn't in the public interest for one person to own more than one permit. It is very difficult to keep the big companies from coming in under the small "guy's" permit. However, if the large company comes in, he cannot operate any more than the small one could.

Mr. Ose asked whether they filled their vacancies with local hires. Mr. Rocker stated that they normally did. However, they had authority to hire their last Hearing Officer outside the State. They had required a law school graduate and advertised within the Alaska Bar Association without any success. He thought that was the only case where they had authority to go outside the State.

General Committee discussion followed.

Meeting recessed at 3:30 P.M.

RECESS

2/6/74

**PUBLIC
PROTECTION**

**DEPT. OF
COMMERCE**

**Reg. of
Business &
Prof.
Banking**

**After Recess
3:40 p.m.**

Present after the recess were Lois J. Cook, Administrative Officer for the Department of Commerce, and Bill Ladwig, Deputy Director of Banking.

Mr. Meekins asked Mr. Ladwig for his comments on the Banking budget. Mr. Ladwig said that his opening comments, regarding ASHA payments, etcetera, were touched upon by Mr. Wilson in the presentation just given, and so he said that he would answer questions rather than repeat what had already been said. He did note that the Banking budget is broken down into four components: Banking and Small Loans, Securities and Land Sales, Corporations, and Administration and Support. \$358,300 was the Department request.

Mr. Meekins said that he did not expect this Division to have a pipeline impact budget, and Mr. Ladwig said that they had not submitted one, because they had felt that outside financial institutions would tend to remain out of Alaska until the conditions surrounding the Pipeline were stabilized. He said, however, that perhaps they should have prepared an impact budget, as this does not after all appear to be the case.

Mr. Meekins asked about the function of the Banking Securities and Corporations element, and Mr. Ladwig said that they perform at the state level the same thing the U.S. Commission on Securities and Exchange does on the national level.

Mr. Ladwig noted the increase in activity in the Securities and Corporations element, stating that they expect more activity in months ahead. With the advent of the pipeline and passage of the Native Land Claims Settlement, activity has greatly increased. Last year 130 new certificates of authority were filed for new corporations wanting to do business in Alaska.

Mr. Specking asked to what extent Mr. Ladwig's division is concerned with the regulatory concerns with these corporations. Mr. Ladwig said very little -- they review for compliance with Title 10 and once they are acceptable and filed, the corporation is a legal entity and Banking is merely a record-keeping, tax collecting authority.

Mr. Meekins noted in Banking and Small Loans, that there are only four positions listed to regulate all the banks in the state. Mr. Ladwig said that they have two clerical positions and two examiners, but that he, the director, and his secretary are all listed under administrative services, so in reality there

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more people involved.

Mr. Meekins thanked Mr. Ladwig and Mr. Ladwig left the meeting.

Pipeline
Commission

Mr. Meekins said that the committee would next discuss the Pipeline Commission. Mr. Specking asked if the budget for the Pipeline is an impact budget or a regular budget, and Ms. Cook said it is a regular budget. Ms. Cook explained that the Commission is patterned after the Public Utilities Commission. There are thirteen positions needed in order to fully staff the Commission. During the Budget Review, however, it was agreed that under the circumstances it would not be necessary to fully staff at this time and so the Governor's figure is for three commissioners and secretarial support. Ms. Cook noted that there is \$100,000 for contractual services in the budget so that if outside expertise is needed the commissioners will be able to obtain it. Eventually, the working staff of this commission will provide this expertise.

Mr. Meekins wondered whether some of the people already on contract with the state might provide some of the needed expertise and felt this should at least be checked into. Ms. Cook said she did not think it had been -- that they had gone to the Departments but that was the extent of their looking for other ways to provide for additional input.

Mr. Specking indicated that there was substantive doubt in his mind as to what point in time such a commission would be necessary. Mr. Lind, from Budget and Management, noted that the feeling was that it would be advantageous to have something set up before the Pipeline building gets underway.

Meeting adjourned at 4:10 p.m.

2/6/74

is fixed by statute, and Mr. Kimlinger said yes. Mr. Warwick asked how much is left in the fund, and Mr. Kimlinger said he thought it was around \$40,000 but he was unsure and said that he would check for the committee and let them know.

Mr. Barber requested Mr. Kimlinger to check up on whether or not there is a 25¢ subsistence commercial fishing license, as it was his recollection that there is such a license. Mr. Kimlinger thought there was not but agreed to check.

Meeting recessed at 2:00.

After Recess
2:30 p.m.

PUBLIC PROTECTION The committee began the close out on Public Protection. Going through element by element, tentative figures accepted by the committee are the same as those figures recommended by the subcommittee. (Staff is preparing a memo on the subcommittee changes.) Explanations for the figures are also included on the short form prepared for use in work on the budget closeout.

There were certain areas not closed out at this time. Those were: OSHA, Banking and Securities, Fire Safety, and in Military Affairs (National Guard), Executive Administration and Organized Militia Benefits.

Meeting adjourned at 4:30 p.m.

3/5/74

HOUSE FINANCE COMMITTEE

March 23, 1974

10:35 A.M.

PRESENT Representatives Freeman, Haugen, Ose, Saylor, Meekins, and Specking.

PUBLIC *
PROTEC-
TION Chairman Freeman called the meeting to order and said that Mr. Meekins was going to close out Public Protection, and then Mr. Saylor was going to close out General Government.

GENERAL
GOVERN-
MENT The figures and the explanations will be in the House Rule Printout.

providing for the issuance of general obligation bonds in the amount of \$22,500, for the purpose of paying the cost of port facilities development projects) were brought up for discussion. Mr. Specking moved and asked unanimous consent that SB's 350 and 351 be reported out of committee in their present form. Mr. Saylor seconded. Mr. Warwick amended the motion to include the \$2.5 million for Barrow that Mr. Ferguson had earlier proposed. He said that the money will never be spent unless they come up with a substantial amount of money and if they do that he thinks they deserve the money.

Mr. Saylor objected to the amendment. He said that first, the facility at best would be usable only 2 or 3 months per year; and second, he objected to going into a program for new services and having "tie strings", because it has happened before that after trying to get other monies and failing, the legislature has ended up appropriating the rest of the money.

Mr. Specking felt that the other projects included in 350 and 351 have had more planning behind them, and this was his objection to the Barrow port. Mr. Warwick did not think that that was true, noting that several of the projects have had no detailed planning according to the information given to the committee.

The amended motion was voted on, with all members voting "do not pass" with the exception of Messrs. Warwick and Meekins who voted "do pass." Motion failed.

Vote was taken on the original motion and the motion carried. The vote on CSSB 350 am was a unanimous "do pass." On CSSB 351 am the committee's majority report was "do pass." Not concurring were Reps. Meekins and Ose who voted "do pass if amended" and Rep. Warwick who signed "No recommendation unless amended."

Returning to the discussion on SB 472 am, Mr. Warwick said that the percentage increase other state employees have had in the period of time since judges, commissioners, and the governor and lieutenant governor have had an increase is 18%.

The committee discussed possible committee substitutes for the bill. No action was taken.

At this time Public Safety Commissioner Pat Wellington, Public Safety fiscal officer Vona Hall, and Rep. Banfield were present.

Chairman Freeman explained that he had called this meeting with Mr. Wellington to discuss a recent news article in which Mr. Wellington had spoken about the House Finance Committee cuts in the Public Safety budget, indicating that he would have to take 13 troopers off the line because of this reduction. The article had also mentioned that Mr. Wellington had not been spoken to by the committee about his budget. Mr. Freeman was distressed to see these remarks as they appeared unwarranted by actual fact. Mr. Freeman showed the Commissioner minutes of two meetings at which the Commissioner and his personnel were present for budget review. The Commissioner said that he had not meant to indicate

SB 472am

PUBLIC
PROTECTION
PUBLIC
SAFETY

that he had not been given an opportunity to testify on his budget, but that he had not been informed of what the committee was planning to cut before the budget came out. He referred to "the rule" by which considerable cut in the personal services budget was made. Mr. Freeman explained the "rule", showing that the cut would not mean an actual cut in the force. In reality, more than enough is appropriated.

There was considerable discussion between the Commissioner and the committee, in which the committee expressed its resentment of the Commissioner's misleading public comments, and the Commissioner and Mrs. Hall indicated that they could not see how they would be able to fund their positions. Finally, the Commissioner was presented with figures that the Committee had and requested to go over them and then present a written statement to the Committee.

Meeting adjourned at 10:00 a.m.

JUST

JOINT SENATE/HOUSE FINANCE COMMITTEES

February 8, 1974

2:00 p.m.

Present:

Senators Groh, Poland, Butrovich (Senate Finance Committee); Representatives Freeman, Warwick, Haugen, Barber, Meekins, Saylor, Specking, Ose, Ferguson (House Finance Committee); Other interested Legislators: Senators T. Miller, Pete Meland, Lowell Thomas, Jr.; Representatives Fink, Banfield, Silides, McVeigh, Guy and Malone.

Judicial Council: Jay Rabinowitz (Chief Justice), Kenneth Brady, Eugene Wiles, Mike Stepovich, Mike Holmes, Lew Williams; Bob Hicks, Executive Director, Alaska Judicial Council.

Joe LaRocca, news reporter; Elaine Mitchell, Alaska Educational Broadcasting; Mary Pat Murphy, Associated Press; Ken Roberts, free-lance photographer.

Chief Justice Rabinowitz called the meeting to order and introduced members of the Judicial Council, and Executive Director of the AJC, Bob Hicks.

Alaska
Judicial
Council

Mr. Hicks reported on studies the Judicial Council is presently involved in. One such report is a study of the Public Defender Agency. This is being duplicated at this time, and draft copies will be available to committee chairmen today. Another study is one which Senator Groh had requested about a year ago, entitled the "Fee Structure of the Alaska Court System."

Another study presently being done by the Council concerns Judicial Districting in Alaska. Mr. Hicks stated that the Council has just about received approval of two LEAA grants for studies it will make on the bail process and sentencing process in Alaska. The Council will also undertake a study of outside prison facilities--what we are receiving for our money when we send prisoners outside the State.

Council co-chairman Mike Stepovich reported that the Judicial Council unanimously agrees with the "Judicial Compensation Position Paper" published by the Alaska Court System, except, the Council recommends that judicial salaries be increased as follows:

Supreme Court	\$ 60,000
Superior Court	45,000
District Court	35,000

He noted that judges have not had a raise since 1970, except for District Court judges who had a raise in 1972. He said the Council felt that judges must have prestige in the community and good life habits.

Council member Kenneth Brady stated that many people in the construction industry are more highly paid than judges in Alaska. He felt we should give judges something in the area of what a good lawyer in Anchorage, Fairbanks or Juneau makes.

In answer to Representative Freeman's question, Chief Justice Rabinowitz said present judicial salaries are:

Supreme Court	\$36,000
Superior Court	\$33,000
District Court	\$27,500

Mr. Stepovich said the Council thought the salaries recommended in the report published by the Alaska Court System were too low. The Court System's recommendation was:

Supreme Court Justices	\$45,000
Superior Court Judges	\$40,000
District Court Judges	\$33,500

Council member Mike Helmes pointed out that although the Chief Justice is on the Judicial Council, he did not vote or take part in the discussion on salaries. The Judicial Council is an independent body interested in the administration of justice--it is not part of the court system. He said the Council's feeling on salaries was that in order to attract and keep good judges, we must pay them adequately.

Senator Groh stated that there have been discussions in the Legislature concerning the actual value of the existing retirement program in the judicial system. They are constantly advised by various members of the Legislature and others that the real value of that retirement is extremely substantial. Is there any way the Council or court system can advise of the net worth of the retirement system? Mike Stepovich said it is estimated to be worth \$10 - \$12,000 a year; however, judges do not get that money until they reach a certain age. It does not help them with day-to-day living.

Rick Berrier, Budget Officer, Alaska Court System, stated that Judge Fitzgerald has asked him to prepare a statement on that. He will see that it is submitted to the Legislature. Mr. Berrier pointed out that the value of the retirement system, when it is discounted over twenty years, will decrease substantially.

In answer to Representative Freeman's question, Chief Justice Rabinowitz stated that there are presently five Supreme Court Justices, sixteen Superior Court Judges and sixteen District Court judges.

Senator Meland asked what has been accomplished in the last two years as far as salaries of magistrates. Are they still working for \$3 an hour? He remarked that magistrates do take the place of District Court judges many times as fill-ins.

Chief Justice Rabinowitz replied that they are doing their best to upgrade the position of magistrates. The pay scale in many locations has been raised; and in some instances, they have recommended elimination of some positions where there is no business. He said the legislature should be receiving a report within two weeks showing past magistrates salaries and a recommended pay scale.

In answer to Senator Meland's question concerning size of salary increases, Mr. Berrier said the Kenai magistrate, who is one of the busiest in the State, makes \$21,000. The majority of full-time magistrates make about \$15,500. He noted that the majority of the request in the operating budget for next year relates to magistrates in smaller communities. He said in their present budget request, a majority have been upgraded from \$3500 to \$5000 a year. These are part-time positions.

Senator Groh cited figures from the Administration of Justice budget. He commented that we are all aware that there has been a breakdown in the administration of justice system, at least in the Anchorage area right now. The question becomes, "where is the problem and what efforts can be made to resolve the issue." He stated that the bulk of bills introduced in the Legislature attempts to address that issue. He wanted to know "when do we sit down and see where the breakdown is?"

Chief Justice Rabinowitz replied that at the Supreme Court Conference, several justices felt that he, as Chief Justice, ought to call all the agencies together to see what we are going to do to improve the situation. One Justice thought he should go to Anchorage to solve the jurisdictional dispute. He said he did not think it is his position to try to solve that kind of political dispute. He said he is willing to cooperate on levels other than that. He noted that the court system is going to have an annual review of their rules and will be doing these things on their own. He did not see himself in the role of calling together executive agencies, however.

Senator Groh asked, would Chief Justice Rabinowitz be willing to cooperate and participate? Chief Justice Rabinowitz stated that he would be willing.

Kenneth Brady stated that everybody in Alaska agrees that we need to do something about the law and order situation. Everybody blames the court system, when as a matter of fact, the judges are only interpreting the law, not making it. He felt we ought to take a look at amending the Constitution to where it says that punishment is a deterrent to crime. He also suggested that we work towards providing a speedy trial for people arrested, and not let them out of jail until they have been tried. He said one of the problems in Anchorage is that repeaters are let out on bail and promptly commit other crimes.

Senator Butrovich remarked that one of the reasons that the Public Safety Commissioner resigned was because when offenders were tried they merely received a "slap on the wrist."

Mr. Brady said, in his opinion, the laws are written to defend the criminals, and that is what the people of Alaska object to. He said we should face up to it--repeaters should not have rights.

Lew Williams, Council member, stated that they had quite a discussion in a Council meeting concerning the Public Defender Agency. This is just one area where there has been criticism of the entire justice system. He said their study is one that is long overdue. However, up until this year, they were never allocated any funds to do anything. He said we have been accumulating problems for 13 years, and finally are getting into them. He said the Public Defender report will give us some concrete recommendations on what we can all do to make it work. However, we should not assume that this (breakdown in justice) is a prevalent thing, just because the rape of a six-year old girl was publicized.

Senator Groh noted that out of the whole Administration of Justice budget, we are spending \$12 million to reform offenders. He said he is not sure the reform is really working.

Council member Eugene Wiles, addressing himself to Senator Groh's point, stated that the Alaska Judicial Council is the agency that can coordinate the differences between the different aspects of the judicial system. He said they met with the Parole Board and other agencies that are a part of this system in trying to coordinate their efforts. He felt Mr. Hicks has done an excellent job in that regard.

Mr. Hicks explained that before they begin a job, they first see what other agencies are doing in a certain area. He said he spent some time working with the Criminal Justice Planning Agencies to coordinate efforts and define roles. They have worked out a relationship whereby Criminal Justice Planning is doing more or less planning functions. The Judicial Council can do the kind of data collection and background work necessary in the context of criminal justice planning. He said they do not want to get into wasting their money or duplicating efforts of other agencies doing their own studies. They have defined the Council's study role as being that of doing interagency studies, studies on request; or doing a study for an agency where a conflict might exist.

Representative Haugen stated that it seems to him that about five studies are underway by the Council at the present time. He did not think these studies are going to come out in time. He said people are really disgusted, and they are not willing to spend more money--they want results soon. Concerning correctional holding facilities, Representative Haugen said he knew of one holding institution in Alaska that the Finance Committee funded last year, and they haven't even hired a watchman yet. He said people are generally blaming everybody down the line. Crime is increasing and things are not getting better.

Mr. Brady mentioned that during the next election, one of the Council's work projects is to rate the judges up for election; and if they do not measure up, they will publish the fact in the newspapers.

CORRECTION

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

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Chief Justice Rabinowitz stated that the Judicial Council voted to approve these studies long before the Legislature convened. In no way is the Council telling the Legislature to hold up on any particular bill before it. He said today they are reporting to legislators on what the Judicial Council is doing with the money that was budgeted for it. He said he will report on specific statistics when he makes his "State of the Judiciary" message before the Legislature (i.e., how many people were arrested for certain crimes, how many on probation, average sentences, etc.)

Representative Barber said we are tired of studies. He felt that people of the Judge's intelligence must form in their minds some reason in back of all this harrassment of the court system. He said he failed to see how people of their competency can see this continuing cycle parade before them and not have some idea of what is wrong with our system. He said there is something wrong with our system, and the answer should come from those who work in the system.

Chief Justice Rabinowitz said they may be better able to determine where the breakdown is when all the statistics are compiled and reviewed. This should be done in about two weeks. Until then, he did not feel he could make a judgment in that regard.

Senator T. Miller commended the Chief Justice's attitude in that respect. He said he did not think in the past the Council has functioned as the Constitution intended, but it sounds a. if they are beginning to. He said we do have a major public concern, aggravated by the fear of the pipeline impact. He said he would hate to see the Council rush in before they have the data. However, he felt the Legislature will act anyway, because the public is demanding it. Senator Miller said, if possible, he would like the Council to include in its report a report on the plea bargaining practice in Alaska--how extensive is it, particularly in the major crime category. Also, how much is court congestion contributing to this? Chief Justice Rabinowitz replied that one of the studies the Judicial Council is going with LEAA funds is on the entire subject of plea bargaining.

Representative Banfield stated that several jurists have told her that one of the reasons they are unable to convict more people is because of faulty police work and poor work on the part of the prosecuting attorneys. She wanted to know if these two areas will be covered in the Council's report. Chief Justice Rabinowitz replied that he did not think they are in the scope of the studies he mentioned. Mr. Hicks said the report will try to identify why a case was dismissed, or a plea changed, and try to identify wh ther it was because of lack of evidence, manpower shortage, etc. However, he did not know how extensively they can do this, as they are working through information in the files.

Representative Ose asked if the Chief Justice thought that the Public Defender's office, which is intended for indigents, is being abused. The Chief Justice replied that the Judicial Council's report acknowledges that there is abuse; however the agency does not have time or the expertise to screen people. The report recommends that applicants for the Public Defender's services be subjected to an oath before a judge, attesting to the fact that he cannot afford counsel. Representative Ose remarked that if this abuse is corrected, there will not be a need for more public defenders.

Mr. Brady said his view on public defenders is that we should eliminate them and go back to the original system of court-appointed lawyers.

Representative Silides stated that we are talking about a vicious circle. He hoped something is done that will break that cycle. He said the same thing has happened at this table-- we are going around and around and passing the buck.

Council member Lew Williams stated that the Council has found that some of the attorneys being hired to replace the public defender have not been too consistent in their charges. Fees for outside attorneys are taking up to 18% of the public defender budget. He said the Council is recommending that that responsibility be put on the court system and that part of the defender's budget transferred. In addition, they are recommending some kind of uniform standard fee scale.

Responding to Senator Greh's question, Chief Justice Rabinowitz stated that the Judicial Council reviewed the Operating Budget, the Capital Budget, and the Pipeline Impact Budget of the Alaska Court System--no other component of the criminal justice system's budgets were reviewed.

Representative Meekins asked if the Judicial Council is a Constitutionally-authorized body. Chief Justice Rabinowitz replied "yes." He said one of their duties is to nominate judicial vacancies appointments to the Governor. Another duty is to make recommendations and studies for improvement of the judicial system in Alaska. These recommendations are suppose to go to the Legislature and the Supreme Court.

Representative Meekins commented that, until recently, the second duty was not performed. Chief Justice Rabinowitz acknowledged that that was correct. Up until recently, they never had funds for an executive director or any staff support.

Representative Meekins wanted to know if there had been any studies done before (funding) or have they been done by other agencies? Chief Justice Rabinowitz replied that they had done some, but no real detailed studies, except for sentencing jurisdiction.

Representative Haugen asked how much Federal money the Council is receiving from LEAA. Mr. Hicks replied that they have applied for three grants, totaling \$66,000, for: (1) sentencing examination; (2) bail; and (3) criminal justice standards, including prosecution, defense, and the court system.

Representative Meekins asked if the Council has any recommendations for gathering of statistics. If the Legislature is going to make decisions on the Council's recommendations, they must have some sort of retrieval system. Chief Justice Rabinowitz replied that the court system is doing that. They ordered it over eight months ago.

Representative Ose asked if Chief Justice Rabinowitz had looked into the new Eagle River correctional home. It seems the prisoners have many privileges, such as private rooms, honeymoon privileges, etc.

An unidentified man in the audience asked if the Council should not investigate crime at the top. What about people who are committing crimes by redistributing stolen goods? He stated that two weeks ago in the Anchorage News, it was stated that some high officials were actually involved in that time of crime.

Adjournment

The meeting was adjourned at 3:20 p.m.

After Recess
3:15 p.m.

Present: All members were present with the exception of Reps. Haugen, Warwick and Meekins. Also present were Budget and Management personnel, Mr. Charles G. Adams, Jr., Director of the Division of Correction, members of his staff and, later, Mr. McGuinness, Commissioner of Health and Social Services.

ADMIN. OF JUSTICE Chairman Freeman called the meeting to order, announcing that the committee would now discuss the budget for the Division of Corrections. He turned the meeting over to Mr. Ose, Chairman of the subcommittee on Administration of Justice.

HEALTH AND SOCIAL SERVICES Mr. Ose explained to Mr. Adams that he was interested at this time in a general budget overview, specifically making reference to increases. He said that the subcommittee would go over the budget in depth with the department at a later date.

Division of Corrections

Mr. Adams said that he would go through the budget by program units, beginning with Administration and Support. Mr. Adams said that there are no new positions in administration and support. They presently have 17 authorized positions and anticipate maintaining that. There is a 5.5% increase which he said is a cost of living increase. There is one change, he noted. They will be moving from their quarters in the Coastal Ellis Building to the State Office Building when it is completed, which means that they will not be paying rent -- a figure of \$20,000. However, they have to come with \$20,000 hard cash match for their LEAA programs and so they will use this figure for that.

Mr. Saylor asked about the \$8,000 increase in contractual services, and Mr. Adams said that primarily that is the hard cash match and rental of the AJIS terminals. Asked to be more specific, Mr. Adams explained that the hard cash match is what they have to put out for law enforcement participation system.

Asked about the increase in travel, Mr. Adams said that they have in the past year received a great many orders from the court to appear in various hearings and this is a reflection of that.

Mr. Specking asked about the AJIS. This is the Alaska Justice Information System, and Mr. Adams said that this project was started two or three years ago and is an effort to computerize an information system on Alaska residents. This includes criminal records, driver's license information, etcetera. Various agencies have terminals -- teletype kind of machines -- so that they can get information about a person rapidly. He explained that this will cut the caseload. The central operation of this is in Anchorage.

Moving on to Adult Confinement, Mr. Specking asked if that includes adults confined inside and outside the state and he was answered yes.

Mr. Adams said that there is on change in Adult Confinement. This is to provide state operation of the Nome Jail, replacing the contractual agreement with that city.

Mr. Freeman asked about the rates paid to municipalities when the state rents jail space from them and Mr. Adams said \$12.50 per day is what the state has tried to hold them to. However, municipalities are saying that they cannot keep this rate so they have to negotiate with the various towns. Mr. Freeman asked what the top figure is and Mr. Adams said \$18. Mr. Freeman asked what the state charges municipalities and Mr. Adams said \$12.50 per day. However, that charge will be increasing. In response to further questioning, Mr. Adams said that the money from the municipalities reverts to the general fund and not to the Division of Corrections budget.

Mr. Adams brought up the problem of pipeline impact and said that this is something they are very concerned with. This was discussed further at a later point in the meeting.

Mr. Saylor asked how many people are confined outside the state, and he was answered about 36 adults and around 21 juveniles.

Referring back to the Nome facility, Mr. Ferguson asked if new personnel will be brought in when the state takes over from the city and Mr. Adams said that anyone working at the local facility now will be given the opportunity to qualify under the state system.

Mr. Adams noted that there are no new positions in the Adult Rehabilitation Program part of the budget. A major cause of increase here is due to increases in medical and dental costs.

In discussing Out of State Confinement, Mr. Adams noted that very often out-of-state institutions are assigned by the judge in a case and the Division therefore has no choice to follow through -- regardless of whether they are familiar with the institution, feel it will suit the needs of an individual best, or have the money to send him there, and pay for the contract costs. This was discussed briefly and the Division feels it as quite a problem, particularly as far as their budgeting goes.

There are 21 juveniles now outside of the state -- with the California Youth Authority, Federal Bureau of Prisons, or other private authorities. Mr. McGuinness said that he has hopes that the legislature might help in clearing up the ambiguities in the statutes which allow the judges to choose an outside institution as part of a sentence, thus giving the Division no recourse but to follow through. He said that he feels the Division personnel would be more qualified to select an institution. Mr. Jones

noted that this past year out of 30 outside placements, 14 were judicial placements.

Taking a look at Juvenile Rehabilitation, it was noted that there is a 9.2% decrease. Mr. Adams said that this is primarily in contractual services but also in commodities.

In Probation and Parole, Mr. Adams stated that their caseload has increased over the last years by a considerable amount. They have a total statewide active supervision roll of 1534 and adding on the inactive roll, a little over 2000. Asked the difference between "active" and "inactive", he explained that the active cases are those in which the staff has contact with the cases. Inactive cases would include those in which jurisdiction has been changed or an individual has absconded and is being looked for. Mr. Saylor inquired about the Anchorage active caseload and was told that it is around 700 active cases. He asked about the personnel to handle these and was answered that including federal positions there are around 22 people. Each person's caseload is around 35 to 44.

Representative JoAnne Miller asked how the caseload per officer compares to the national average. Mr. Adams noted that there are many urban, crowded areas down south where the caseload is probably 100 to one or something similar to that. However, he said that the President's Crime Commission said that the ratio should be 35 units of work per officer. He emphasized that units are not the same as cases. All probation officers have a great deal of work besides just their time with clients, so you cannot really relate staff to the number of cases.

There was considerable discussion on the impact the pipeline will have on the jail system. The Division has put in an impact budget, but Mr. Adams noted that the fact that facilities will need to be constructed means that really, they are already behind. He felt that when construction begins is when they are going to find they need these facilities. There was discussion on the \$5 million impact emergency fund passed by the special session of the legislature. Commissioner McGuinness said that he had not been aware that they might be able to use this money - he had thought it available only to municipalities. The committee was unsure about this but Mr. McGuinness said he would look into it.

Other areas of the budget were briefly skimmed and the meeting adjourned at 4:45 p.m.

HOUSE FINANCE COMMITTEE

February 13, 1974

1:35 P.M.

PRESENT All members of the Committee except Representatives Haugen, Warwick, and Meekins. Mr. Herb Sole, Executive Director of the Public Defender Agency, was also present. Budget and Management Staff were present.

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Chairman Freeman called the meeting to order and stated that they would be discussing the Administration of Justice category. He turned the Chair over to Mr. Ose, Chairman of the Sub-committee.

OFFICE
OF THE
GOVERNOR

Mr. Ose explained they would be hearing testimony from the Public Defender Agency. He asked Mr. Herb Sole to give a brief overview and justify the Agency budget.

Public
Defender
Agency

Mr. Sole said that the last time he appeared before them he had stated that something was proven with each year of operation. Back in 1969 when the Legislature enacted the Public Defender Act, they were not operating with any sophisticated study to determine what it would require to budget the constitutionally required defense in the State of Alaska. They picked a ballpark figure and started out. The figure was close to \$200,000 less than the Court Administrators had estimated.

When the Legislature was shown in 1970 what the actual costs were going to be, they passed a supplemental at somewhere near the estimate of the Court Administration. The following year, Mr. Carlson, who was then the Public Defender, filled out a request requiring everything he thought the Agency should do. He was also trying to get involved in crime rehabilitation by requesting an in-depth study of the problem of people reappearing. He received word he would be limited to \$500,000 for the presentation. He started out with \$230,000. It was such a tremendous thing that it would have been possible to multiply that 4 or 5 times.

Mr. Sole pointed out that they have consistently received about 65% of what the prosecution gets. He added they were not trying to match their figure, and would be happy to operate at 2% of their figure if it were possible. However, it isn't.

Mr. Sole stressed that each year their budget is limited by an arbitrary figure when related to the functions they have to perform. The budget they have requested this year would put them in a position where they could never again make that statement. The functions they have to perform in the criminal justice area are greater than any other Public Defender Office in the Country in that they have complete representation right through the Supreme Court level of briefing. They have to represent people by statute before the parole board; they have to represent people who face petitions to hospitalize them under the Mental Health Act, and even parents threatened to lose custody of their children to the State. With this broad scope of repre-

sentation in every case where people may face a jail sentence, a high fine, or a loss of rights.

Mr. Sole went on to say it didn't start out that way. It used to be that people were on their own for misdemeanors. That was changed in 1971 by the State Supreme Court and later in June of 1972 by the U.S. Supreme Court when it said no person could be given a jail sentence if denied counsel. This increased their workload by 100%.

Mr. Sole said they have never had what it really takes to run the Agency. The only way they are able to make it is through the kind of people that are attracted to this kind of work. They usually are fresh out of school and have a lot of energy and idealism. They work unbelievable hours and usually last about two years.

He said there was no comparison to the time put in by the District Attornies Office.

He went on to say they didn't view themselves with any particular mission other than to carry out the constitutional requirement that a person be given representation that a person with funds would be given.

Mr. Sole stated there were two changes in their request. He asked them to notice in the First Judicial District they were not asking for substantial changes. This part of the State was handled by 2 lawyers indispensable from their posts. He pointed out that each District Attorney has two full time prosecutors (4 positions) and a secretarial staff adequate to support them. The Public Defender's Office has one lawyer and one Secretary in Juneau and in Ketchikan. He said they could very well keep two men busy particularly in Ketchikan. However, they did not ask for an increase in Ketchikan because they didn't want to diminish their chances of putting strength where their greatest needs are.

Mr. Sole pointed out they had no investigative complement--the lawyers do their own investigation. He added that every police officer in the State is a potential investigator for the District Attorney.

The situation in the North is much different than in Southeast. The crime rate and the amount of cases they are called upon to represent in Anchorage is comparable to a city of its size in the lower 48. They are not able to facilitate the Courts to the degree that they is desirable to keep cases flowing at the proper rate. He said they did not attempt to delay court calendars for the purpose of benefits that delay would cause--they have never used it as a defense tactic.

Mr. Sole felt that working within the system he could see things that the average citizen could not see just by reading the newspaper, be-

cause there was a great distortion in the things people read. He said there are a great number of people who can be removed from the category of violators if the right steps are taken in time.

The Public Defender Agency approached the federal government for a LEAA grant in 1971 and were given one for a rehabilitation counselor. They have had the funds since September of 1971. The last report from Internal Audit indicates that in 86 serious cases undertaken to change patterns of behavior individuals, 53 were taken out of the criminal mainstream. The savings were at \$12,000 per person for each year these people wouldn't have to go to jail. The program has been well applauded by the courts, professional people and policemen having contact with it, as well as the families of many young people going straight. Last year they had requested the State to take over the funding for the program, but when the Legislature failed to back it up, LEAA because of the high marks of the program, agreed to fund it for another year. That year is about up, and Mr. Sole said they had been assured there would be no more funding from them.

[Mr. Meekins arrived at this time.]

Mr. Sole said the lawyer increases speak for themselves. They are not able to get past the caseload. The Fairbanks Office (it serves the upper Yukon all the way to Tok) indicated it can't keep up with the demand. He said the judges have been after them year after year to increase the staff members by one. They hadn't requested it before because they knew it would reduce chances for one in Anchorage.

Other components of criminal justice include a great deal of time and effort in the bush. Bethel is a center of about 18,000 people living in a range of 50 to 52 villages. Previously unreported crime is now finding its way into the system because of more magistrates and constables in that area. Most are based on alcohol related problems. The Superior Court is handling that service area and are meeting every month. All of this takes strength away from the Anchorage office. He explained they have worked out an arrangement with AMU for a bilingual student to record things that go on and to enter investigations. That has saved them a great deal of money. The elimination of the Bethel Office will intensify needs for the rest of the 3rd Judicial District.

He said the Second Judicial District didn't ask for a substantial change. There are some adjustments in travel. He said there was a proposal they were considering to contract with a new private law firm to cover all cases they have been appointed to in the Second Judicial District. But, that has nothing to do with the budget here. The Attorney General says they can enter into that contract. It would save perhaps \$5,000 and up-grade service.

The other item which requires comment is in contractual services which has gone way up--\$140,000. Again, they are strapped by the

Act. The Act, passed by the Legislature in 1969 says that for cause, which takes in almost the entire conflict of interest cases, that a private attorney shall be appointed and compensated for from Agency funds at the prevailing legal rates in the community. This precludes him from paying any percentage of legal rates, although a number of attorneys have done things as a public service for less money. This law that the lawyers must be paid out of Agency funds creates inefficiency, so he has to beg and borrow. Every year there is a deficit.

He explained that it is a clear legal error to try and represent people with a direct conflict of interest. One of the areas this happens most often is in the drug cases. Several times in the last year, one of their clients, after they know everything about him--all of his deep dark secrets, was approached by the police and offered a deal to become an agent of the police and buy drugs for people in the community. Then a person who they have bought for will be arrested and go to the Public Defender for help. It is a conflict of interest for the same Agency to defend both parties.

It has been the policy of the Agency to take all cases, no matter what the strain on the personnel involved. He said there was a maximum number of cases an attorney could handle and still give quality service. If they were to follow that policy they would have to sign affidavits on cases over that number, and the courts would have to appoint lawyers which would look to the Public Defender Agency to pay the bills, which would be more expensive than having a staff member to take care of it.

Mr. Freeman asked if Mr. Sole had read the report of the Judicial Council, and he said he had. Mr. Freeman asked him to comment on the recommendations made in it. Mr. Sole said he was in favor of their recommendations because they say there should be a flood-gate. That is something they have never done.

Mr. Freeman asked how much was in the FY 75 budget for rehabilitation funds, and was told \$32,500. He said if they could get that he thought the federal government would allow them to take a new departure in another part of the State.

It seemed to Mr. Freeman that we came about with the system in the first place to take care of clients the attorneys didn't want because they couldn't pay. Mr. Sole said he thought it had the support of most of the lawyers that were being paid in honorarium.

Mr. Freeman said the law intent was that indigents should be provided with legal services of the same quality a person would receive if he were hiring his own attorney. The question comes to his mind that on rehabilitation the guy paying for his own attorney

wouldn't necessarily get rehabilitated. He wondered if that was providing more than the law intended them to provide.

Mr. Sole said that they could take that view, but he added there was a cost savings thing that lawyers would feel concerned to go out and do this thing to show the judge what could be done with the man if the judges wished to.

Mr. Freeman asked Mr. Sole if he knew offhand what the ratio of indigent people in court was to people who could afford an attorney. Mr. Sole said the number of people statewide, including those handled by private attorneys they have to pay, is right around 90%. He went on to say that statistics could be deceiving. If the prosecution were to come forward, they would say the figure around 47%, but they are counting district court arraignments where the D.A. is standing there and the people are charged with traffic violations. The people are pleading guilty and being disposed of. The P.D. doesn't get into those kinds of cases.

Mr. Freeman noted that last year sometime they came before the Budget and Audit Committee with the Court system attempting to bail them out for the rest of the year on charges for substitute defenders. He asked the amount of that. Mr. Sole said \$74,000.

Mr. Freeman asked whether if they incurred the expense and somebody else had to pay the expense, that wouldn't become almost intolerable. Mr. Sole said it was intolerable. He thought that somebody ought to introduce a bill which would delete the "prevailing legal fees in the community" requirement for payment of the lawyers. However, he couldn't press for it because it was important for the Agency to have a good relationship with the Bar.

Mr. Groh said that the Public Defender Agency was not something attorneys had pushed for. It had come out of the courts. As a lawyer he knew that private attorneys had spent a lot of time defending indigent offenders for practically nothing. He said the Public Defender Agency wasn't created by lawyers, but was a result of the Supreme Court decision.

There was discussion regarding the definition of an indigent. What came out was that for the purposes of the law, it was any person who was unable to retain a private attorney.

Mr. Specking thought it might be better to just pay the fine and be done with it. Mr. Sole said that couldn't be done in this system of justice.

Mr. Meekins asked if the ratio of indigent people to paying people was consistent throughout the lower 48. Mr. Sole said almost every jurisdiction had at least 50% indigent cases. However, the average was more like 75%.

Mr. Barber asked what they usually payed a lawyer, and was told \$42 an hour. He often adjusts bills which he receives. For example if it is a young lawyer, he might cut the bill in half saying that he should have been able to do it in half the time if he had had the experience.

Sen. Groh referred to the amendment which the Judicial Council recommended which would leave it to the court to determine whether a person was indigent or not, he asked how Mr. Sole felt about it. Mr. Sole said he would beg for it.

Sen. Groh asked about the Report's accusation that the P.D. Agency used delay as a defense tactic. Mr. Sole denied that. He said there were members of the prosecuting staff who are lacking in an understanding of human behavior, in his opinion. They will make a suggestion for disposition of a case that the P.D. can't even discuss with them.

Sen. Groh said that the AJC wanted the Bar to be more actively supportive to the Agency. He asked if the Bar was of any active assistance now, and was told they weren't particularly.

Sen. Groh asked whether they attempted to appoint former public defenders as attorneys in conflict of interest cases. Mr. Sole said no, but it might turn out that way just because their life-style was often one of less overhead, so they can do more work for less money. He added that they have just started to keep a rotating list of attorneys for appointment.

Mr. Freeman said that in FY 74 they were allowed 30 full time employees. The Governor has allowed 39 for FY 75. He asked how many of those extra 9 would be Public Defenders. Mr. Sole thought 4 would be Public Defenders. The agency had requested 6.

Mr. Freeman asked how many Public Defenders Mr. Sole thought they would need because of the pipeline impact, and Mr. Sole thought that an addition of 6 would take care of the overload.

RECESS Meeting recessed at 3:00 P.M.

HOUSE FINANCE COMMITTEE

February 13, 1974

3:15 P.M.

PRESENT All members of the Committee except Mr. Haugen, Mr. Warwick, and Mr. Meekins. Representative Bowman was present. Mr. Bill Vaudrin, Executive Director of the Human Rights Commission was also present to testify.

ADMINIS- Acting Chairman Ose called the meeting back to order and said they
TRATION would continue with the Administration of Justice category and
OF JUS- hear testimony from the Human Rights Commission. He asked Mr. Bill
TICE Vaudrin to begin his presentation.

OFFICE Mr. Vaudrin explained that the Human Rights Commission was the
OF THE result of a statutory requirement. They have a seven member Board
GOVERNOR of Commissioners, and Chapter 18 of the Alaska Statutes provides
that the Commission receive complaints and investigate problems
of discrimination and bring them to public hearing if necessary.

Human He explained that the reasons for discrimination cover quite a
Rights range. They include, but are not limited to equality of opportunity
Commis- to obtain education, employment, public accomodations, housing and
sion property without being discriminated against because of race, color,
sex, national origin, age, religion, or physical handicap.

Mr. Vaudrin said that their complaints had doubled when sex had been added to the statutes as a basis for discrimination.

He thought that the major problem in defending the budget was in the area of explaining actually what they do. There has been a change in the method of enforcing civil rights. Ten years ago when the agency began to develop they had gone under a theory where discrimination had to be proven. People are more sophisticated now, for example, in erecting employment barriers, but the discrimination can still be read on their faces.

Mr. Vaudrin gave the Committee copies of their Annual Report which included a Digest of the year's activities, their philosophy, their goals, etc. He also passed out a paper entitled "New Dimensions" which singled out a number of innovations which were added to the Human Rights Commission in 1973 that he felt deserved more comment than a passing credit in the "Digest of the Year's Activities". Another paper entitled "What is Discrimination" showed what an investigator must look for to substantiate or repudiate allegations of discrimination, and a set of charts showing comparisons of number of cases filed with the Commission in 72 and 73 including a breakdown of what the cases were and who filed them. (See budget file)

Mr. Vaudrin said that they have been unable to properly serve the rural areas. For all practical purposes, they are serving only

the urban areas. Their travel budget is not sufficient to send an investigator to the sites. Much of their work was done by cooperation and in-kind contributions. Last year State-operated schools spent their entire staff budget working for the human rights commission.

Mr. Vaudrin said there were four major reasons why he has requested an incredible amount in addition to what they have been given in the past. The budget is an accurate reflection of what they need to do their job. In the past they have received a few more dollars each year, but nothing compared to State population increases. He reminded them that the Commission was a result of a Constitutional Mandate. They have three professional staff members this year. When he first took over the directorship, his first instinct was to say that if they got complaints from the outside locations that they had to process them. But, it was impossible to do that and honor the budget negotiated before.

1. The inclusion of sex in the Statutes as a constitutional right. When the law passed they had only 2 investigators and their complaints doubled. Sex discrimination complaints were running neck and neck with race discrimination complaints. Generally speaking the sex complaints caused more flack, because the people kept calling to see what was happening.

2. The passage of the Native Claims Settlement Act. There has been more travel to and from the rural areas, and a growing awareness among the people that they have certain rights. They are also becoming aware of different life styles in the regional areas that have not been accessible before. People are becoming more informed and know that there are legal steps that can be taken.

3. Servicing of rural areas in addition to urban Natives, Blacks, Philipinos, Mexicans, Asians, and other minorities. He didn't think people were aware of the rural problems. The Commission has added to the rural focus completely outside of State funds. They have been able to get funding under a number of different projects, and are placing VISTA volunteers in different areas and having them study communication modes to see which are most successful for communicating with the people in the particular areas. One of the major problems in Alaska, in addition to the lack of funding and staff, has been the definition of the Human Rights Commission as traditionally defined in the lower 48 so that it dealt with primarily urban issues and didn't fit the predominant minority in Alaska. The definition has been changed now, and they believe they will be able to serve that 25% of the population instead of only 5% of it.

4. Pipeline Impact. It had been his understanding that they were to write the pipeline impact into their budget instead of a separate one. He pointed out that the State Human Rights Commission was the only agency with jurisdiction in the state to accept indi-

vidual complaints in the area of discrimination.

[Mr. Meekins arrived at this time.]

Mr. Vaudrin predicted there would be a vast group of disadvantaged minorities coming to Alaska expecting to work on the pipeline. A great many social problems will be created by this. He thought it safe to say that nowhere else in the nation would it be so difficult to insure equal opportunity. He pointed out that Alaska already had the highest unemployment rate it has ever had.

Mr. Vaudrin said his MAJOR request was for a deputy director. In addition to the fact that this has been requested for the past ten years, the main reason he is asking is that if he wasn't hamstrung with desk work, he could be doing the work of six different people in that Agency. So far since he has been Director, he has increased the full time professionals to 13, and has gotten a great deal of funding from non-state organizations such as LEAA and IBM. He has 20 more proposals for funding going now, and if he had time to sit and write proposals, he could do the job and it would cost the State practically nothing. If they would simply give him a deputy director, he thought he could change the thrust of the Agency from one of response to complaints to one of averting and heading off crises.

Mr. Freeman noticed that the FY 74 maintenance was \$107.5 and yet for FY 75 maintenance they had \$88.7 and the Governor had allowed \$115.0 He asked why. Mr. Vaudrin explained that their maintenance figure was minus the \$25,000 EEOC grant. At the time the budget was drawn up, they had lost the grant, but they have managed to get it back.

The Budget and Management staff member stated that the Governor's allowance included the two new positions for Juneau and disallowed all others.

Mr. Freeman asked if there were many instances where caucasians filed complaints against minorities and won. Mr. Vaudrin said there were many. For example many of the Native organization were very unsophisticated and there had been complaints against many of them because they had come out and said they wanted to hire a Native. Equal opportunity works both ways, and they have gotten the caucasians hired.

There was discussion about qualifications for work and Alaska hire.

Mr. Ose asked how many people he had working now. Mr. Vaudrin said there was a field representative and himself in Anchorage, one in Fairbanks, and 2 secretaries in Anchorage.

Mr. Ose suggested that he go back and put the pipeline impact into a separate budget.

Mr. Vaudrin concluded by stating that they need people to manage the agency and provide direction for the other staff people they want to bring on board. He stressed there was a professional element missing.

RECESS Meeting recessed at 3:55 P.M.

HOUSE FINANCE COMMITTEE

February 13, 1974

3:57 P.M.

PRESENT All committee members except Representatives Warwick & Haugen. Mr. Larry Parker, Executive Director of the Criminal Justice Planning Commission and Mr. Dick Pegues, his Administrative Assistant, were also present.

ADMINIS- Acting Chairman Ose called the meeting back to order and said they
TRATION would continue with the Administration of Justice category. He
OF JUS- asked Mr. Parker to begin his presentation on the Criminal Justice
TICE Planning Commission.

OFFICE Mr. Parker said that since the Committee had already been active
OF THE in the extension of this Agency, it was almost redundant to go
GOVERNOR into some of the facets of it. All the way through they have given
Crimin- guidance in the building of the Agency. However, this was the first
al Jus- time he could sit with them and say they were in full staff opera-
tice tion. The budget reflected what the Committee had given him the
Plan- last time they got together. He had gone ahead with putting more
ning "meat" on the secretarial and administrative side.

They have come up with more than the legal percentage of money to run this operation. They were 40-60 for a while. When the new floor was added to the building, that increased funding for the Planning Agency from \$100,000 to \$200,000.

Mr. Parks said they were now at a point where about 23% of the planning function is granted by the General Fund. He said they were requesting a little less than last year.

He added there was a problem of match in Action funds because the law is now written so that it requires match from the State for the local projects where the police department has some activity.

Mr. Ose asked about hard match. Mr. Pegues said that they used to be able to use in-kind service as match, but new legislation was passed in September saying it had to be money.

Mr. Meekins asked if this was something that came out of federal regulations, and was told it was a result of the Crime and Safe Streets Act of 1968. They were now in their first year of a 3 year program.

Mr. Meekins asked if it was correct that on the planning element, which is where most of the State's money is going, the maintenance request was just \$6,200 more than last year's authorized. Mr. Pegues said that with the Legislature's help they had retooled the whole situation last year and brought it up to a good management level.

Mr. Meekins asked about an impact budget, and Mr. Pegues replied that they themselves didn't have one because presently they were set up to take care of things for the Department of Law or the Department of Public Safety. They get additional federal funds to take care of those things. Basically they spend time working as a liason between State agencies and federal government with respect to crime control, prosecution, and protection, etc.

Mr. Freeman asked to know how much State money was involved. Mr. Pegues said there was \$26,000 in Action funds, \$28,700 in hard match, and \$49,000 was the General Fund.

ADJOURN Meeting adjourned at 4:10 P.M.

HOUSE FINANCE COMMITTEE

February 14, 1974

3:15 P.M.

PRESENT All members of the Committee except Representatives Hauge, Warwick Meekins, and Ferguson. (Mr. Meekins & Mr. Ferguson arrived later) Mr. Rich Berry, from the Alaska Court System, was also present.

ADMINIS- Mr. Freeman called the meeting to order and turned it over to
TRATION Mr. Ose, the Chairman of the Sub-committee on Administration of
OF JUS- Justice.
TICE

ALASKA
COURT
SYSTEM

Mr. Ose stated they would be hearing testimony on the Alaska Court System budget. He asked Mr. Berry to begin his presentation.

Mr. Berry stated that he was the Manager of Fiscal Operations for the Court System and that he had prepared all of the budget documents. One basic fact, he made was that they had tried to prepare a budget at the maintenance level which reflects the maintenance cost of the Court. They also put in a small amount of money for change, expansion of programs, and better service. He wanted to discuss the maintenance level which was based on historical cost and projected cost.

The first thing to notice in the maintenance level budget is that they have asked for basically no additional discretionary resources-- positions, travel, or anything. It is basically the same as the present operating budget.

The present operating budget is \$9,368,000 and the FY 75 proposed budget is \$10,240,000. There is a \$900,000 increase in the budget with no additional resources. The explanation is that it is related to facilities which the Court has been appropriated by the Legislature mainly through ASHA funding. They will have actually \$810,000 in additional bond costs for ASHA which the Department of Administration has told them to budget. Budget and Management controls that money. There is also an additional \$37,000 for fire insurance above what was budgeted for this year. They pro-rated the insurance cost over the total value of the buildings over the building they are in now. He added there was approximately \$50,000 in assorted costs related to the new facilities. For example, in Anchorage, they will be in the new building 1/2 year this year and a whole year next year. There is \$30,000 extra for telephone payments. He said there would be moving cost into Valdez, Sitka, and Juneau and additional GSA leases like in Nome.

Mr. Specking asked about Valdez, and was told that it may or may not come about in FY 75. There was an estimate that it was to be completed in the early fall of 1975.

Mr. Berry continued saying these figures added up to approximately \$900,000 worth of expenses. The only additional resources are to the extent that they have more space. They should be more pro-

ductive and efficient with adequate space. If it were not for the ASHA projects coming up, their budget would actually be \$28,000 less than what they have right now.

Mr. Ose asked about additional maintenance cost for the Anchorage Division. Mr. Berry said Anchorage moved into its new court building this fall. This building was just completed and is a large one--two to two and a half times bigger than the old one. The maintenance cost goes directly to the Division of Buildings. They have given estimates for next year for the development of their budget. They have to budget for it and the money is encumbered. This happens for all buildings. If the building isn't built, they are still expected to give money to the Division of Buildings, and Budget and Management has to control those encumbrances to see they are not spent for anything else.

There was some discussion regarding whether or not they would get into the different buildings during the next fiscal year.

Mr. Barber asked how expensive it was for a square foot in the new courthouse. Mr. Berry said it was 89.5 or 90 cents per square foot in the new one, while it is 65 cents in the old one.

Mr. Freeman noted there was a lapse of \$291.1 in FY 73. He asked if it looked like there would be a lapse this year.

[Mr. Meekins arrived at this time.]

Mr. Berry answered that there was a 4% overage--technical because of a change in retirement.

Mr. Freeman asked if they were mandated not to spend it, and was told they were.

Mr. Freeman said when they compared this year's budget against the last year's authorized, they should take into account the \$206,200 that was put into their budget by mistake.

There was some confusion over this, and some discussion. Mr. Berry said the reason the maintenance level, as opposed to the authorized, is not \$200,000 less is because there is 1.5% in the budget for merit increases (taken only on the appropriate people) plus an amount for any changes in salary between the time the authorized was prepared and the maintenance was prepared. That comes close to 4%. Thus, the 4% chopped out in FY 74 really gets back into the FY 75 budget because of merit increases and changes in salaries.

Mr. Berry referred them to the summary of change items. The total is \$450,000, of which approximately \$100,000 shown is monies from LEAA. This is the first year they have attempted to put in federal

money. There is approximately \$300,000 of General Fund money that they call discretionary which they use to do the extra things to improve the court. One of the areas most ignored in the past two or three years is the magistrate program. The Court System's feeling is they want to eliminate the posts where there is no activity going on and to up-grade the posts where there is a lot of activity going on. He said most of the \$127,000 was for pay increases for part-time magistrates. They haven't been getting enough to make them keep the positions for very long.

Mr. Berry said the magistrates were given the same opportunity as the judges to have input into their budget. They submitted material to the presiding judges in the district. The magistrates got most of what they requested because it was in the area of equipment and travel, whereas the district judges were more interested in positions which they didn't get.

Mr. Freeman commented that \$327,400 was the increase over FY 74 authorized. Mr. Berry said that of that approximately \$14,000 applied to Protom services of retired judges and justices, approximately one man year of service. About \$95,000 relates to magistrate pay increases, and \$75,000 to the 1.5% merit increase. \$70,000 was due to Vacancy and Turnover given for this year. The balance, which shouldn't be very much would be due to position increased in class since the time the authorized budget was prepared.

Mr. Freeman noted that the increase in travel was \$43,700. He wondered why it was so much. Mr. Berry said it was made up of two things: 1) \$15,000 for magistrate training and 2) \$24,000 federal funded travel relating to projects.

ADJOURN Meeting adjourned at 4:15 P.M.

After Recess

1:30 p.m.

ADMIN. OF
JUSTICE

PUBLIC
SAFETY

All members were present with the exception of Messrs. Ferguson and Warwick. Also present were Commissioner Wellington of the Department of Public Safety, Mrs. Vona Hall, Fiscal Officer for the Department of Public Safety, Colonel Dankworth, Director of State Troopers, Mr. McQueen, Deputy Director of State Troopers, Capt. Penman of the Colonel's staff in Anchorage, members of the press, staff, and Budget and Management personnel.

Chairman Freeman called the meeting back to order at 1:30 p.m. He announced that the committee was going to review the Admin. of Justice budget, Dept. of Public Safety. He turned the meeting over to Mr. Ose, Subcommittee Chairman.

Mr. Ose explained that what the committee was interested in was an overview of the budget. Commissioner Wellington asked Colonel Dankworth to go through the budget.

Col. Dankworth began with Prevention of Crime. He said that they have two positions in the Prevention budget. They are working out quite well. However, there will be some more effort needed with advent of the pipeline.

In Detachment and CIB, Col. Dankworth said that this is really a "bare-bones" maintenance budget; there is nothing in it that is a new program. It is just what they presently have. He said that there are some problems here. One is the number of cars. He stated that there are two things that a trooper must have and those are an automobile and a telephone. This year they requested five additional vehicles, and these were eliminated in the Governor's Budget Review. The other problem is the telephone communications, which they feel are their best form of communication at this time for state troopers. There has been a \$55,000 cut in their telephone communications request.

In Division Headquarters, there is no change except that there will be a new building opening in Anchorage and some additional expenses incurred because of that along with some changes in their routine.

Going on to the Narcotics Unit, Col. Dankforth said that this is operating under the Criminal Investigations Bureau and there are no changes, but money budgeted for three undercover officers has been shifted to buy money in this budget.

In Judicial Services, Col. Dankworth said that a big problem has been created in Anchorage with the construction of the new

Court Building. He said that they had requested four new troopers to assist here. They were given two. If that is not increased it will continue to be a problem, he stated.

A \$52,000 increase was approved in Housing. The Department has found that the rents it charges the State Troopers in outlying areas are not sufficient to cover the cost of those rental units. This money is to offset those costs, amounting to approximately \$75 per unit.

Mr. Ose asked for further information about the Troopers' equipment needs, and Col. Dankworth said that they requested \$83,000 in equipment. If the five vehicles are disallowed, that will give them a \$51,000 equipment allowance.

Mr. Haugen asked Mr. Charney why these five vehicles were disallowed by Budget Review. Mr. Charney said that because there are no new troopers allowed and replacement vehicles are available through the Highways Capital Fund, this request was disallowed.

Mr. Dankworth, in response to this, noted that every year they lose 10 to 12 vehicles in accidents. The replacement on these vehicles through the Highways fund takes sometimes 8 months. Meanwhile, the Troopers are short a car. In further response to this, Capt. Penman spoke. He stated that in his experience the minimum lead time for these vehicles is nine months. Right now he said he is six vehicles down. What happens in a case like this, when you are operating on limited vehicles, is that if you lose a vehicle from a one vehicle station, it is replaced with a vehicle from a multi-vehicle detachment, which means you are then down in that detachment.

Mr. Ose asked if they have any standby vehicles and Capt. Penman said absolutely not, and the patrol cars are specialized so they can't just be bought. He said that he has talked with Joe Rosper of the Dept. of Highways and he and Capt. Penman agree that if they could go to a one-man, one car concept they would be in a better position. Asked how many vehicles there as compared with troopers, Capt. Penman said that there are 188 troopers and 137 vehicles.

Mr. Saylor asked how many men and vehicles there are in the Impact budget. Mr. Charney answered that there are 12 vehicles and 22 or 23 uniformed troopers.

Mr. Barber asked what the life of a vehicle is, and Capt. Penman said that when they start double and triple shifting they are looking at an absolute maximum of two years. In Anchorage, they average 5 to 6,000 miles a month, which wears a car down.

Col. Dankworth again emphasized that without cars or phones, you cannot have effective police service.

Mr. Barber mentioned that the Anchorage City Police have found that letting the cars go home with their policemen has had a significant effect on deterring crime, and he wondered if the Troopers had considered this. Capt. Penman said that they could not possibly consider it due to the scarcity of patrol vehicles. They could not spare the vehicles to go home with the troopers.

Mr. Barber asked how many of the 12 troopers in the Pipeline budget would be in Anchorage, and he was answered possibly one. Mr. Barber wondered if what is anticipated by the 22 or 23 troopers and 12 vehicles in the pipeline budget is that there will be two troopers per vehicle, and Mr. Charney said that Budget Review's idea had not been that but rather that there would be 24 hour shifting.

Mr. Barber said that he would like to get from the State Troopers a report on what they feel would constitute a realistic, responsible, working ratio of patrol cars to troopers and he requested that they work on this and let him know what they come up with.

Mr. Saylor asked what the estimated FY74 lapse in the Department of Safety will be. Mr. Charney said that there was no lapse anticipated. The only lapse would be in federal funds or excess in retirement benefits which were restricted and will lapse.

In response to questioning, Col. Dankworth said that an equipped patrol car costs around \$7500.

Mr. Charney mentioned that the legislature has continuously taken a vacancy factor from this budget and has thus forced the troopers into having vacant positions. This he said has a bearing and should be considered in examining the trooper-patrol car ratio.

Mr. Ose inquired about the turnover in the Troopers. Col. Dankworth said that in the first five years, about 12 to 19% stay; of those who stay for 5 years, about 60% remain with the force. Mr. Ose wondered why the turnover is so high. Col. Dankworth said that there are numerous reasons, among them being pay and working conditions, including insufficient funds for equipment needs. Mr. Haugen asked if the pay grade increases given had then not helped. Col. Dankworth explained that the two step increases which were given to the troopers were to rectify two existing problems and not

intended as an additional attraction to join the force. He explained that first, the troopers worked 40 hours a week and were paid for 37 1/2 hours, so they accepted a one step increase to compensate for that. Then, the overtime bill came through, but the Department did not have the funds to pay the overtime, and so the troopers accepted a one step increase in lieu of overtime.

Mr. Specking asked if the troopers are part of the employee negotiations that have been recently going on, and he was answered yes, up to the rank of sergeant.

In response to further questioning, Commissioner Wellington explained that this matter of trooper overtime is now going to be taken care of whether or not the employees approve the present proposal. Commissioner Henri has agreed to this, and Mr. Charney said that it is funded in the salary increases. Mr. Specking was concerned about the Commissioner making agreements as well as the negotiating team itself, and Mr. Charney explained that not paying the overtime had been an agreement made between the troopers and the Commissioner of Administration before, so it was really not a part of the negotiating material at all -- it was a matter for the Commissioner to carry on with or stop as he saw fit and as the agreement with Public Safety went.

Mr. Haugen asked if the troopers would then revert to their earlier pay grade, and Mr. Wellington said yes, they would go back one pay step.

Mr. Saylor asked about the \$100,000 increase in travel and Mrs. Hall said that \$75,000 is money transferred in for transportation of prisoners, previously budgeted under the civil section of this budget, and now in Detachments and CIB. Asked about the additional \$25,000, Mrs. Hall said that was due to increased charter travel and travel cost increases in general.

Mr. Meekins asked what the starting salary for troopers is and Mrs. Hall said that they are now a Range 16, with the two step increases. Mr. Meekins asked how they compare with trooper salaries in other states and he was answered low. Mr. Wellington stated that they would like to get qualified individuals but cannot afford to. There followed a brief discussion on troopers salaries, the value of hiring experienced personnel or those with higher education, and the difficulty of doing so on a limited budget providing the same starting salary regardless of education or experience.

Mr. Haugen asked what is going to be done with the Public Safety Building in the Juneau Subport Area. Mr. Charney said that they are on a conditional use permit with the City and Borough right now. What will be done is uncertain. They have considered moving the building, but it would be very expensive to do so. (The Administrative offices will be moving when the Court Building is completed. However, space for the Troopers will still be needed. Mr. Wellington explained that they were originally to have had 3 floors, but this was cut back to two, requiring that Public Safety revise its plans.

Mr. Ose asked if this budget will rectify the situation of officers answering phones, typing correspondence, etcetera, and Col. Dankworth said unfortunately, no. Where there is no support staff or insufficient support staff, answering phones, typing reports, etcetera, still must be done and the budget is just not large enough to provide for adequate support staff throughout the state. He mentioned that in some places, calls are transferred to the policeman's home and the families of the officers are the ones who end up taking calls although they are not paid to do so simply because that is the only way that emergencies can be handled in a one man detachment with no office staff.

Mr. Freeman asked what will be done with the additional troopers when the pipeline impact is over. Mr. Dankworth said that they will very readily be absorbed into the force. He noted that all that is is 4 more troopers, on a 24 hour basis, over the entire state -- really not such a tremendous increase as 22 or 23 new troopers sounds like.

The committee briefly reviewed the remainder of the budget and recessed at 3:05.

HOUSE FINANCE COMMITTEE
February 15, 1974
3:40 P.M.

PRESENT All members of the Committee except Mr. Meekins, Mr. Haugen, Mr. Warwick, and Mr. Ferguson. Mr. Mike Peterson, Deputy Attorney General, and Mr. Robert Schroeder, Legal Administrator, were present from the Department of Law.

ADMINIS- Chairman Freeman called the meeting back to order and said they would
TRATION continue with the Administration of Justice category of the budget.
OF JUS- He turned the Chair over to Mr. Ose, Chairman of that Sub-Committee.
TICE

DEPT. Mr. Ose asked Mr. Peterson to begin testimony on the Prosecution
OF LAW BRU.

Prosecution Mr. Peterson explained that the Criminal Division of the Department of Law's main purpose was to prosecute all violations of the State Criminal Laws. The Prosecution effort has 68 offices in the State, and 24 attorneys. The breakdown for the attorneys is as follows: Ketchikan, 2; Juneau, 2; Anchorage, 13; Fairbanks, 5; Nome, 1; and Kenai/Kodiak, 1.

Mr. Peterson said their objectives were to prosecute all violators expeditiously through such prosecutions which would deter the commission of crimes and control the increase of criminal acts. They also assist other agencies of the government in the rehabilitation of offenders through recommendations by prosecutors on sentencing and treatment of the convicted.

They are requesting three new positions. The first is an Assistant Attorney General for Criminal Justice in Juneau, and a Legal Secretary to provide clerical support. The A.G.'s duties would be to aid in training policy efforts and to advise Public Safety, but he would concentrate on organized crime, narcotics, and consumer criminal fraud.

They also request the addition of one Assistant District Attorney to the Anchorage District Attorney Office to service the Kodiak area (which is now under the Kenai office, but this arrangement is no longer practical because the caseload there has gotten so great) half time and through adjustment of workload enable the Anchorage D.A.'s office to adequately service the Bethel area. Neither Kenai nor Bethel caseloads warrant a full-time District Attorney.

Mr. Peterson said that their request was approximately an increase of \$119,000 over the maintenance budget. The increases in personnel makes up for most of it, but there are some miscellaneous items to request--such as increases in field travel for the Juneau and Ketchikan office.

Mr. Ose asked if they had an impact budget also, and Mr. Peterson said yes, on the Impact, they were asking for 6 new positions. First they were requesting an Assistant District Attorney with a Secretary in Valdez. The basis for that is that the pipeline terminal will cause an increase of people--using the Dept. of Administration's projections, the population will go from 6,000 to 11,000. They are also asking for an additional Attorney in Anchorage. Mr. Peterson said Fairbanks currently has a supplemental in for two District Attorney positions plus a secretary. Under the Pipeline Impact budget, they would retain those positions. The total cost for all six positions would be \$216,000. The basis for requesting them is basically due to the Dept. of Administration's projections that the population would increase by 11% in Anchorage and Fairbanks.

Mr. Ose asked Mr. Peterson to comment on "plea bargaining". Mr. Peterson replied there were a couple of elements to plea bargaining. One is if they are talking about a reduction of charges on sentences. This usually happens when people are overcharged initially and the case can't be proved, so they reduce the sentence in exchange for an agreement to plead guilty or nolo contendere. Prosecuting, going all the way to jury trial involves time, expense, and manpower, and they could win as well as lose. For that reason, plea bargaining occurs if the person is willing to plead guilty. He said that from a resources point of view, without a tremendous increase in prosecutors and courtrooms, it is difficult to eliminate.

Mr. Ose asked whether it was true or not that they might have a person with as many as 4 charges against him and they would plea bargain with him so that he would end up with only one charge. Mr. Peterson admitted there were instances.

Mr. Ose asked if it were done to cut down on court cases. Mr. Peterson said there were two factors involved. One is a resources factor in terms of what resources they have available to prosecute. The other, court time, was irrelevant to their point of view. The real reason is that they have a resources problem.

Mr. Ose wondered if that would encourage crime, in the sense that a person could go out on bail several times and recommit a crime, and yet only be punished for one time. Mr. Peterson said that empirically it did occur, and noted that some of the alleged crimes were very difficult to prove.

[Mr. Haugen arrived at this time.]

Mr. Saylor referred to page 113 in the budget book where the overview statement showed the number of trials they had had, the number of convictions and the number not convicted. He asked how many reduced sentences there were. Mr. Schroeder said they didn't have those statistics. He admitted they were wondering about that them-

selves. The information system they have is primitive in that they are unable to ask some of these new questions. They are in the process of trying to overhaul the system so it can answer questions like this.

Mr. Saylor said that either they had outstandingly fine attorneys or something else was happening. He didn't think it possible to convict 90% of the people they prosecute. Mr. Peterson agreed that there certainly were plea bargaining factors. However, he said they did have some good attorneys.

Mr. Specking commented that the Committee had just heard testimony from the Public Defender Agency. He wondered whether when the Public Defender got better sophisticated to fight the District Attorney, this would require the District Attorney to ask for more money to fight the Public Defender. Mr. Peterson admitted that at some point there would be a relationship between what they did and what the Public Defender did.

Mr. Specking said that the number of cases, actual trials and convictions noted on page 113 seemed terribly high to him because he heard of so many cases being dismissed. Mr. Schroeder said that in Anchorage it didn't include the magistrate courts. He believed that if they could audit, they would find that some of the things were born out.

There was much discussion about the information system of the Dept. of Law or the lack of it. Mr. Schroeder said they were trying to get in on the Alaska Justice Computer System, but this has not progressed as quickly as they had expected.

Mr. Saylor said he had heard that Health and Social Services made recommendations on sentences after a person had been convicted-- that they were invited to work with the courts and make recommendations on sentences. Mr. Schroeder said the Probation people do make recommendations, but they were separate from what the D.A. made. He didn't know much about them or their qualifications. However, he stressed that the judges could choose to ignore the recommendations of both the probation people or the D.A.'s. He could also choose one or the other.

There was some discussion about Probation Officers making recommendations and the advisability of it.

Mr. Freeman noted that the amount requested under personal services was \$64,300, yet they were requesting \$106,300 because of the new positions. He wanted to know why. Mr. Schroeder said there were other costs generated by the new positions in addition to salary, such as equipment and travel.

Mr. Freeman stated that in the FY 74 budget, the administration pro-

vided for 4% more money in Personal Services than was required. Subsequently the Division of Budget and Management had informed the Department and told them that because they had 4% more than they were entitled to, they were not to spend it. He wanted to know where this 4% showed up. Mr. Schroeder replied that Budget and Management had put this money in a reserve account.

Mr. Barber asked whether there were statistics on how many of the cases they had were repeaters, and if they were repeaters, how many times. Mr. Schroeder said there was no information on that.

Mr. Barber asked if they could make it available, and Mr. Schroeder said they didn't know where to begin to find it. They would have to go back to each individual attorney and each individual police department.

Mr. Saylor asked why they had increased contractual services from \$34,000 to \$62,000 in the First Judicial District. Mr. Schroeder said they had to begin with the \$15,000 increases for the ASHA Bond payment in Ketchikan, and he said \$5600 was for maintenance of the building. Then, in the Juneau Court Building, there was \$7700 for maintenance. They wouldn't have to pay rent until the following year. \$1100 is for fire insurance.

Mr. Saylor asked why contractual services had gone up in the Second Judicial District. Mr. Schroeder replied that \$5500 was for the new State Office Building in Nome. \$500 was for fire insurance and \$5000 for maintenance. He pointed out that the Division of Buildings maintained it, so their Department's budget for that would go to them.

Mr. Haugen asked the Budget and Management staff member whether the extra 4% from personal services was being held in account. As the staff member understood it, the plans were to hold it and lapse it.

Mr. Haugen also requested the Budget and Management employee to find out the bid award cost on the new court building across the street.

Mr. Ose asked about a breakdown as to types of crime and rate, and those in each age bracket. Mr. Schroeder said they were in the process of compiling that information right now.

Mr. Haugen asked whether they were going to have to buy time on the Criminal Justice System computer. Mr. Schroeder didn't know what the situation was. The Budget and Management employee said that an LEAA Grant has been funding it although it is planned to phase out soon. There is approximately \$150,000 in federal funds.

RECESS Meeting recessed at 4:30 P.M.

After Recess
1:30 p.m.

Present: All members were present with the exception of Representatives Barber, Meekins, and Haugen. Also present was Mr. Josh Wright, Mr. Rick Barrier, the Manager of Fiscal Operations for the Alaska Court System, Mr. Bob Jacobs of Budget and Management, interested members of the public and, very briefly, Mr. LaRocca of the press.

ADMIN. OF
JUSTICE
ALASKA
COURT
SYSTEM

Chairman Freeman called the meeting back to order at 1:30 and turned it over to Mr. Ose, Subcommittee chairman for the Alaska Court System.

Supreme
Court

Mr. Ose opened the meeting to questioning by the committee. Mr. Saylor stated that in going over the Court System budget in detail he noted several inconsistencies.

The first of these inconsistencies is the vacancy and turnover factor in the Supreme Court. In a letter from Mr. Barrier to Mr. Saylor, Mr. Barrier stated that he estimated the turnover factor at 1 1/2%. Mr. Saylor felt that this was most inconsistent with the rest of state government, particularly in a budget of this size. (Average vacancy and turnover factor is around 5%.) He wondered about the accuracy of this figure.

Mr. Barrier noted that the Court System has not been a part of the personnel budget before and so they have not evolved historically actual figures as have the other agencies in the state; and he said that miscalculations due to that will be corrected in the next few years as they do build up a history of actual figures. However, he said that he does not feel that his 1 1/2% figure is too far off. The Court System, and particularly the Supreme Court, is a place in which there is little turnover. When one realizes that \$200,000 of the \$600,000 is for the justices alone, and they generally serve lifelong, and add to that an additional \$200,000 approximately for the 10 law clerks who do change yearly by in large but generally overlap rather than leaving vacant positions; and top that with the fact that of the remaining clerical positions, several are executive secretaries to the different justices and are usually very stable employees who remain for years in their positions, there just really is not the kind of turnover that is common in other state offices. Most of the turnover takes place in the remaining clerical positions, and even those are rarely vacant more than a week.

Going on to Travel, Mr. Saylor felt that \$45,000 was quite high considering that there are only 27 positions, and probably not more than 15 of those would be traveling. Mr. Barrier said that the Supreme Court does travel a lot. They meet probably 20 to 25 times a year in conference. They have sessions running from fall through

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spring. They go to the various communities and hear oral presentations. At times they are not having hearings or oral presentations they meet for conferences on the cases they have already heard. They do meet a lot and spend a lot of time together. If they did not try to bring the court to various locations, they could save considerably in travel costs. However, the feeling has been that to better serve the public and for the convenience of the bars in the various communities, they would travel rather than remain in one city only. Mr. Barrier stated that he does not feel they make unnecessary trips.

[Mr. Haugen came in at this time.]

Going on to Contractual Services, Mr. Saylor noted that their request, which has been approved by the Governor, is \$122,200, contrasted with \$83,300 this year and a maintenance figure of \$92,200. He felt that the phone and postage costs are quite out of line. Mr. Barrier said that postage for the Supreme Court is an outrageous expense -- they have to mail copies of their opinions basically to the entire Alaska Bar and to people outside the state. There are approximately 120 opinions each year, of approximately 15 pages each. There is numerous other paperwork coming out of the Supreme Court, in addition to the briefs. All of this accounts for the high postage cost. Mr. Barrier said that actually, they anticipate being short this coming year because their budget does not take into account the recent increase in postage costs.

Mr. Saylor inquired about the Professional Fees and Services increase of \$33,000 for doing a study of the filing system and internal workings of their records keeping. He wondered why this couldn't be accomplished "in house." Mr. Barrier said that some of it will be done "in house" and that the majority of that additional \$33,000 is not for the study but is for the updating of the civil rules. He said that a lot of the study will be done by the administrative staff and they will do whatever they can "in house." However, the administrative staff has other duties than Supreme Court work. The cost of the study will probably be from \$5 to \$10 thousand. He mentioned that the civil rules have not been updated since statehood and that will take probably close to a year of attorney time.

Mr. Saylor requested Mr. Barrier to get together the number of Supreme Court vacancies at this time and present them to him in the next couple days. Mr. Barrier agreed to do so.

Judicial
Districts

Moving on to the Judicial Districts, Mr. Saylor requested of Mr. Barrier the same facts about present vacancies that he had just requested about the Supreme Court.

In Travel, there is an increase from the FY74 authorization of \$114.8 thousand and the maintenance figure of \$122.0 thousand to

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\$137.9 thousand, the Department request which the Governor allowed. Mr. Barrier said that the major reason for this is for magistrate training. Travel for holding court is also very high.

[Mr. Freeman left at this time.]

Mr. Barrier said that the Supreme Court has been trying to get the trial courts to do even more travel than they are now. There have not been trials held in some localities. For instance, there have been only one or two trials held in Valdez this year. Again, if all cases were held in Anchorage, travel costs would obviously be lower but service to the people would be poor, and the idea of people having the right in cases of jury trials to come before their peers makes the notion of having all the trials in one city a poor one.

In the First Judicial District, Mr. Saylor asked about the maintenance increases due to the new buildings in Ketchikan, Juneau and Sitka. He asked when the Juneau Building is to be completed and Mr. Barrier said in June of 1975. The Sitka Building is due for completion in April of 1975. Mr. Saylor wondered then about the necessity for maintenance in these buildings. Mr. Barrier said monies would lapse if they were not necessary.

Mr. Saylor asked about the insurance figures, and Mr. Barrier said that it is his understanding that the contract agreement is that if they don't need the insurance -- if the buildings are not completed -- then they don't have to pay. All of these costs come through the Department of Administration, Mr. Barrier noted, and are not the determination of the Court System.

Mr. Haugen inquired about ASHA payments. Mr. Barrier said that their current year's payments are \$1,192,000 and their FY 75 figure is \$1,518,000.

Meeting recessed briefly and Mr. Barrier left. After recess the committee began the SOS budget review.

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AFTER RECESS
March 27, 1974
1:30 p.m.

Present: All members. Also present were Joshua Wright, Consultant to the Committee; Rep. L. Wilson; Rep. Selwyn Carroll.

From the Human Rights Commission: Mr. Gilbert Gutterez; Mr. Radcliffe; Ms. Sylvia Muncey; Mr. Douglas Luna; Mr. Martin Moore.

ADMIN.
OF
JUSTICE

Rep. Freeman, Chairman, called the meeting to order. The purpose of the meeting was to hear testimony regarding the Human Rights Commission budget request for FY 75.

Human
Rights
Commission
(Gov.'s
Office)

Mr. Gutterez told the Committee that the Human Rights Commission, formed 10 years ago, must work within the framework of the law. The Commission is concerned with topical issues such as the Native land claims, and pipeline construction which will result in impact to the state, and thus the Commission. Mr. Gutterez stated that they must monitor business interests inside and outside the state so Alaskans can have protection of their specific rights.

The Commission enforces laws against discrimination. These cases must be investigated, communities must be educated on their rights, and communication must flow in order to make the public aware of new techniques and research.

Mr. Gutterez stated that 60% of the cases in the Human Rights Commission Office today are primarily sex discrimination cases; a further increase in this type of caseload is projected.

Mr. Gutterez said that the effectiveness of the Office can be seen in the 400% caseload increase within a period of six months. He stated that this is a result of reaching out to the public and making them aware of the services available, however, with only one investigator on the Commission staff, it is difficult to keep up with the dramatic increase in caseload. Mr. Gutterez said that the Commission cannot operate according to state statutes with such a small staff. If the staff can be expanded, the Commission will be able to cover the state as it should, and the goals of the Commission and the Legislature will be met. He stated that other states have many investigators dealing with discrimination cases; Alaska, which is facing dramatic changes, has just one investigator.

Rep. Meekins asked Mr. Gutterez if the Human Rights Commission had an impact budget. Mr. Gutterez replied that it did not; the Governor set up six areas, but has not mentioned human rights. He stated that many people are coming to the state now, and the Commission will face an increase in complaints from those people.

Rep. Meekins asked if the caseload might not decrease if the