

HOUSE / SENATE FINANCE COMMITTEE - 1967-1982 2563

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.

In 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

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HOUSE FINANCE COMMITTEE

February 11, 1974

2:30 P.M.

PRESENT All members of the Finance Committee except Representatives Warwick, Haugen, and Meekins. Mr. Jean Walsh from the Governor's Office, Division of Planning & Research, was also present. Mr. Ron Lind was present representing Budget and Management.

DEVELOP- Acting Chairman Saylor called the meeting back to order and stated  
MENT they would continue with the Development category and hear testimony from Mr. Walsh concerning the Division of Planning and Research budget.

OFFICE OF Mr. Walsh said that the development component that was in the Divi-  
THE GOV. sion of Planning and Research was actually there because of a federal requirement. These funds they are discussing are all federal Department of Housing and Urban Development planning and management assistance funds under Title VII. In addition to the local assistance funds, there are also funds for state planning and Indian Assistance. These are not a part of the Development category, but part of the General Government category.

Mr. Walsh said that it was necessary for the Office of the Governor to accept the federal funds and then transfer them to the Department of Community and Regional Affairs.

There are three major classes of projects undertaken, Mr. Walsh said. The first class includes the local assistance projects which occupy the technical assistance portion of the Department of Community and Regional Affairs budget. It provides assistance to local governments to solve local management and municipal planning problems--it involves such things as training city clerks and fiscal officers.

The second class is non-metropolitan. It is basically for completion of municipal planning projects. This year they are doing comprehensive plans for Sitka and Ketchikan, and updating comprehensive plans for Nome, Dillingham, and Unalaska. It also can be used for training functions, such as training of municipal officers.

The third class is Indian Assistance Funds, which is assistance to Indian Reservations and to predominantly Native communities.

Mr. Saylor asked if there was any State match for the federal monies. Mr. Walsh said that there was. Depending on the type of project, it was one-third/two-thirds or one-fourth/three fourths. If the project was statewide in nature, the match was one-third/two-thirds.

However, Mr. Walsh pointed out that the Division of Planning and Research had no match in the Development category. The Department of Community and Regional affairs had the match. He stressed that

his Division had no time involved in this BRU.

Mr. Ose thought that HUD funds had been frozen, Mr. Walsh said that all but Title VII had been. There were plenty of management assistance funds.

Mr. Ferguson asked about the \$100,000 for a rural housing study. Mr. Walsh said that they were still in the process of writing the application. He said it had been added at the request of the Budget Review Committee.

Mr. Ron Lind from Budget and Management stated that the \$100,000 was in the General Government category. They are trying to find some way to categorize rents paid in rural areas. They envision something along the lines of categorizing private and State housing attempting to decide what type of housing they should be building out there.

ADJOURN Meeting adjourned at 2:45 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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TRATION  
OF JUS-  
TICE 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.

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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 indispensible 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 lifestyle 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  
guidance in the building of the Agency. However, this was the first  
Crimin- time he could sit with them and say they were in full staff opera-  
al Jus- tion. The budget reflected what the Committee had given him the  
tice last time they got together. He had gone ahead with putting more  
Plan- "meat" on the secretarial and administrative side.  
ning

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.

After Recess

1:40 p.m.

Present:

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

NRM & ENV.  
CONSERV.

OFFICE OF  
GOVERNOR

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

Limited  
Entry

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

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

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

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

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

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

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

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

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

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

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

Mr. Jackman mentioned that the confidentiality status of certain

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

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

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

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

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

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

is prohibited by law and treaty.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Meeting recessed at 3:45 p.m.

After Recess  
4:05

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

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

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

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

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

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

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

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

Meeting adjourned at 4:40 p.m.

After Recess  
2:55 p.m.

At this times, Mr. Anders, Administrative Assistant to the Governor, and Mr. Weiss, Administrative Officer in the Office of the Governor, were present.

GEN. GOVT.  
OFFICE OF  
GOVERNOR

Exec. Off.

Mr. Saylor's requested an overview of the Executive Office budget. Mr. Anders said that the Executive Office is charged with implementing and administering programs promulgated and approached by the Legislature and is also charged with the responsibility of coordinating operations of all state government functions. The budget they are requesting this year is simply a 5% inflationary increase over the budget requested last year. There are no new positions being requested and he said that as far as he is aware there are no changes in any category above the 5% inflationary increase. He asked Mr. Weiss for confirmation on that point.

Mr. Weiss said that the only change is a \$71,000 decrease, a major portion of which is the deletion of \$100,000 for Pipeline Information which was put in last year. There is a \$13,000 increase due to a change in the computation of personal services -- being done through the whole budget -- and there is the 5% inflation increase. There was some committee question on the subject of the personal services increases, and Mr. Weiss restated that this is merely a change in the method of computation of benefits. Mr. Charney said that the benefits decreased, merit increases brought it up again. Last year's 4% has been restricted.

Mr. Haugen asked how much of the pipeline information money has been spent. Mr. Weiss said that he didn't know, but that as far as he is aware only one or two payments have been made. [Later on the information was sent up from the Governor's Office stating that \$24,965 has been spent.]

Exec. Mans. Turning next to the Executive Mansion, Mr. Anders said that there are no increases. Increases are due to the 5% inflationary increase. There is again a small difference in personal services due to the different method of computing the personal services.

Contingency Mr. Saylor's said that last year they lapsed \$225,000 in the Governor's Contingency Fund. He asked how much has been spent this year. Mr. Weiss said that basically what has been spent to date has been for contractual payments with Bill Ogle who has been doing criminal justice research. Total expenditure thus far has been \$22,500. Mr. Saylor's asked if that hadn't been cut out of the budget last year and Mr. Charney said yes. Mr. Saylor's requested a copy of the contract. He also asked them to find out if this is to be an ongoing contract (the contract expires in June, 1974.)

Police St. Council Mr. Dick Pegues was present at this time to present the budget for the Police Standards Council. He explained that the Police Standards Council (PSC) was established by the last session of the legislature. The purpose of the council is to set minimum hiring standards for police officers and then to set training standards.

The Council has seven members, and the police chief of Fairbanks is Chairman. Last year there was \$48,000 in federal dollars. This year there will be \$30,000 (and \$29.4 thousand state). The federal money in this program is seed money -- it is not going to be a continued appropriation.

Mr. Pegues said that it was initially planned that the Council would hire one contract employee plus secretarial services. To date, the contract has not been hired out. He said that he understands that the contractor is to come on board the first of April this year.

The first job of the Council is to classify policemen. They are starting with books and keeping a book on each policeman. Under the present statute, all policemen are on a temporary status and are not considered fully commissioned until they meet the standards set by the council. He stated that the books are now in preparation.

Mr. Saylor noted that last year the federal-state match was 6 to 1 and that this year it is only going to be 3 to 1. Mr. Pegues said yes, that this is because the match comes from LEA and normally they do not fund on a year after year basis.

Mr. Haugen asked if it is correct that this is going to set the qualifications for state hire of police officers, and Mr. Pegues said yes. Mr. Haugen asked if there will be different standards for those in the rural villages, and Mr. Pegues said that he thinks so.

Planning Resch. Next the committee took up the Planning and Research budget. Present were Mr. Bob Pavitt, Director of Planning and Research, and Mr. Jim Wiedeman. Mr. Saylor requested an overview of the budget.

Mr. Pavitt said that Planning and Research is responsible for two major programs: coordination of state planning activities to make sure that they are going in the same general direction; and the development for the Governor and Legislature of overall objectives of the state as developed by legislative intent, legislative policy, public hearings, etcetera.

Right now, the biggest project they are involved in taking research down for the Federal and State Land Use Planning Commission and publishing a series of regional profiles giving an overview of resources of the state, physical and economic situations, as they exist in a point of time in Alaska, and developing planning activities for all sectors of the state.

Mr. Pavitt continued, stating that the major change in this budget is \$100,000 for developing a state employees' rural housing study to determine needs, resources, charges, and methods for providing needs. He explained that the state provides on a rental basis housing for a number of state policeman, Fish and Game people, SOS teachers, and other employees in remote areas. This housing ranges from trailers to somewhat ornate houses. The rentals are not fixed and do not seem to bear on the kind of house or person's salary, but rather seem to be arbitrary. This study will be an inventory of available housing, what is needed, rates charged, so that the situation can be assessed and a determination of policy made from there.

Mr. Saylor asked if such a study wasn't done recently by Community and Regional Affairs, and Mr. Pavitt said no, that that study was not on state owned housing. There was an overview done of housing throughout the state but this is specifically on state owned or rented housing for state employees in rural areas.

Looking at the overall budget, Mr. Wiedeman said that their maintenance level for FY75 is only approximately 2% over their 74 maintenance level. This is primarily because of a lack of federal funds that will be available this year. Many of the federal programs have been defunded, impacted, or suspended. He said that they are expecting funds only for housing and urban development this year, although they have been told that they will be receiving an increase in some funds.

The main contractuals they are concerned with is money they may be receiving from Housing and Urban Development, which is approximately \$286,000. He said that they show in Contractual Services a maintenance level of \$310,100,000. Mr. Saylor asked of the federal funds that they will be receiving, what do they anticipate are the projects that will be funded. Mr. Pavitt said that the regional profile series is the major one; they will be putting just about all of the contractual services money except for the \$100,000 for the housing study, into that particular program. They will be operating several other programs under their general fund allotment.

Mr. Pavitt said that they have one other function; they are directed by the Governor to coordinate closely with Federal and State Land Use Planning and they are presently engaged in a mammoth project of reviewing the 28 environmental impact statements submitted to the Congress along with Secretary Morton's statements and they will be working very closely with the Commission in trying to come up with a piece of legislation which will be introduced by Senator Jackson which will definitively put together the state's views before the Senate Interior and Insular Affairs Committee. He said that the other state departments will be submitting their comments through the Planning and Research office and Planning and Research will put them together.

Mr. Saylor asked if when they apply for grants they normally assign priority as to which is most important to be done first. Mr. Wiedeman said yes -- that when they apply they apply on the basis of projects and when they have put in their application for funds they put in for those that they wish to complete.

Mr. Saylor asked how many project they have now underway using federal funds, and Mr. Wiedeman said 18 are presently underway.

Mr. Saylor asked how many they have planned for FY 75. Mr. Wiedeman said that they will have completed the 18 they are working on this year and they contemplate having just one major project, the regional profile project discussed earlier, which involves 6 minor projects. They will also probably be involved with Coastal Zone Management.

[Mr. Ferguson came in at this time.]

Mr. Haugen asked if the \$100,000 for the rural state housing project is general fund money, and Mr. Wiedeman said yes. It does not qualify for federal funding. Mr. Haugen wondered how it could cost this much. He asked if they have any idea at this time who they will get to work on that. Mr. Pavitt said no, that it was assigned to them because they have a lot of experience in Planning in Research in working with consultants. He said that he does not believe that the cost will be that much and if the scope of the study isn't that large they will lapse the rest.

Mr. Haugen asked if this report will include present charges, and Mr. Pavitt said yes, and that it will also have a detailed inventory on what type of housing and what charges are being made to whom. There is now no integrated, overall policy for the provision of housing for employees in remote areas and this is what the study would hope to develop.

Mr. Wiedeman said that in the past they have had several instances in which an employee of one department would be renting an identical space from the state as a employee of another department, and yet there would be a considerable disparity in the rents. This has caused some problems.

Mr. Charney felt that another benefit of this study will be that the portion of these rentals or construction or purchase of facilities by the state have heretofore been hidden in the budget, and now they will be able to be looked at. The legislature will be able to have a real grip on the dollars and cents of what the state is paying -- how much of a subsidy they are giving.

Mr. Freeman reiterated Mr. Haugen's feeling that this is a lot of money for such a study and couldn't see why this couldn't be done by each department. Mr. Pavitt felt that one reason is just the understaffing

of the various departments and the amount of time it would take.

Mr. Freeman felt that some of this housing was probably not necessary. Mr. Ferguson noted, however, that in Barrow and Kotzebue, for example, adequate housing is definitely not available. He mentioned that in Kotzebue, the BRU for the Division of Aviation shows that they are acquiring a modular unit trailer to rent out to the airport manager for \$50. There is a state trooper living in a particular building there in which he must move his entire family into the kitchen if the wind blows. The state is renting this \$190 and charging the trooper \$375. In Barrow, he just a few weeks ago heard that the Deputy Commissioner says he will have to take a trooper out because there are no quarters available. The one alternative for housing they have it to pay \$525 a month in a new building -- and that money would come out of the Trooper's pay. He said that the Governor has introduced a bonding bill requesting a building for troopers be built in Kotzebue and Barrow.

After additional discussion along the same lines, meeting adjourned at 3:40.

Mr. Freeman turned the meeting over to Mr. Saylor at this time for the budget review on the Office of the Lt. Governor and Elections.

Lt. Gov.

Mr. Larry Jones, a Clerk Typist III in the Office of the Lt. Governor, was present to testify on that budget. He noted that he is in one of the lowest paying clerical positions in the merit system and yet, since Mr. Boucher was unable to get back to town for this review, it fell to him to present the budget. This emphasizes the need in that office for an Administrative Assistant. Going through the budget, Mr. Jones said that in FY 74, the Personal Services maintenance level was \$96,400. This being an election year, however, they will need temporary hires which will increase this level. There is also an upgrade of a Clerk V in personal services. The request was \$28,500 over the maintenance level. The majority of this is due to the Administrative Assistant. He reiterated that the best evidence for the need for such a person is the fact that he, a Clerk-Typist III, is presenting the budget. Mr. Jones said that in the Lt. Governor's Office they are working with four positions, all of them clerical. With the amount of time that the Lt. Governor is out of the office, it is necessary to have someone there in an administrative capacity. He said that they had no one working with the Administrative Code for quite a while -- and that a lot of the duties the administrative assistant would be performing are duties that cannot be performed by persons with only clerical skills. In addition, Mr. Jones felt they needed someone to provide liaison with the Governor and his staff and with the boards and commissions which the Lt. Governor chairs. Here he mentioned several of those boards and commissions which consume much of the Lt. Governor's time. He said that there are numerous occasions when it is important that the Lt. Governor have someone to represent him -- but there has been no one in a capacity to do so adequately. Alaska is one of the few states in which the office of Lt. Governor does not have someone at an administrative assistant level to do work for him.

In travel, Mr. Jones said that Mr. Boucher himself has received no per diem this year. Funds have been so short that it has been necessary to really "juggle" them, and one method of doing this has been for Mr. Boucher to do without per diem. If Mr. Boucher's per diem to this point were paid, Mr. Jones said that there would be no more funds. They are requesting a \$3,600 increase for travel.

In Contractual Services, Mr. Jones said that the maintenance level In Contractual Services, Mr. Jones said that the maintenance level is \$70,900. The 74 authorization was about \$50,000. The reason for the increase is partially postage, but most of it is for payment of fees and hearing officers.

[Mr. Ferguson came in.]

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\$28,000 is for the Administrative Code update which they are required by law to do. They have a supplemental in for that this year.

In Equipment, they want to change to a microfilm system for their records. Mr. Meekins asked if they now have a microfilm reader and Mr. Jones said no.

Returning to contractual services, Mr. Warwick asked what the hearing officers are. Mr. Jones said that when there are licensing disputes, usually having to do with ABC licenses, beautician licenses, or such, a hearing must be held and the Lt. Governor is responsible for hiring hearing officers. Costs on this can run from a very minimal amount -- \$50 or so -- to large amounts such as the bill they have just received for around \$3,000.

Mr. Saylor noted that the request is for \$248,100 and the Governor's Allowance is \$214,800. When the Lt. Governor was asked if he could live with that, he had said yes.

Mr. Saylor asked Mr. Jones about the cost of printing the registers and Mr. Jones said that they are about \$7,000 a piece.

#### Elections

The committee next reviewed the Elections budget. Ms. MacKenzie, Director of Elections, was present to testify on her budget.

Ms. MacKenzie said that this is a reasonably easy budget. Their only increase in positions is for the Clerk Typist II, range 8, in the Fairbanks office.

Ms. MacKenzie said that their program change increase is \$55,200. This is a non-occurring increase for a position for implementation of a computerized system for counting ballots in the three largest areas of the state during the coming election year (those areas being Anchorage, Fairbanks, and Juneau).

Since this is an election year, they have temporary positions in their budget, to be filled from July 1 to December 31. Their total request was \$809,300. The Governor's Allowance is \$808,300 -- a \$1,000 decrease. There was a \$4,000 reduction which was for moving, and a \$3,000 increase because of special paper needed for voting, so the net decrease is only \$1,000.

Mr. Warwick asked about the election office in Fairbanks and their desire to move into one set of offices so as to consolidate their operation. Ms. MacKenzie said that they will not be moving. They wanted to move into the Northrip Building and the rent would be exorbitant. They are scheduled to move into the new state building in Fairbanks when it is completed.

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Mr. Warwick said that he seemed to remember that last year the legislature gave money to extend the Data Vote system, and asked if it is going to be used in Fairbanks. Ms. MacKenzie said yes, that it is. They bought punches for the Juneau area and now have to pay for program and buy punches for Fairbanks. In Anchorage they do not have to buy equipment as both the city and borough are using Data Vote.

Mr. Warwick noted additional money in the budget for polling booths and asked if that relates to the Data Vote, and Ms. MacKenzie said no, that that just relates to the increase in the voter population. IN answer to questioning, Ms. MacKenzie said that there are now 150,000 registered voters.

Mr. Warwick asked how much of this budget is attributed to elections. Ms. MacKenzie said almost all of the contractual services except the rentals. Mr. Warwick asked how the cost per voter relates to that in other states, and Ms. MacKenzie said that it really is not possible to relate Alaska's costs to those in the other states because of the unique problems faced by Alaska due to its environment -- i.e., ballots being dropped in by plane, taken out long distances by boat, and that fact that these special kinds of deliveries taking time and money both may be for only a very few people but still must be done.

[Mr. La Rocca came in.]

Mr. Peacock who is working on contract with the Data Vote program's implementation and coordination, was present to testify before the committee and answer any questions.

Mr. Peacock said that in talking about the cost of elections, one should note that the actual cost for election boards in 1972-73 was \$120,000 more than is projected for this year. The primary reason for that is Data Vote. They can now cut back on counting teams.

Mr. Ose asked if reapportionment is going to cause problems again this year, and Ms. MacKenzie said that that will depend on the Supreme Court. People cannot be notified of where to vote until the Supreme Court makes its decision.

Mr. Ose asked about voting for the people in the Pioneer's Home in Palmer, and Ms. MacKenzie said that the magistrate will move his office to the Pioneers Home and they will be able to vote there.

Mr. Warwick asked about the condition of the voters lists, and Ms. MacKenzie said that they have just completed a purge of the list. They couldn't do this, by law, until 1974. The next list will be minus 6,000 names. In response to questioning, she explained that the only other way they can purge the list is to contact each person

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who has left the state. Mr. Warwick asked what happens when a registered voter changes his residence. He mentioned an instance of someone being on the register in three different locations. Ms. MacKenzie said that this was very unusual since normally the computer would pull the old address. She did not know why this had happened.

Looking at budgetary projections up to 1979, Mr. Warwick asked Ms. MacKenzie if she felt these were realistic, and she said no, that she does not but that they had to put something. She does not feel that it is possible at this point to make a realistic projection.

At this time Mr. Gabby, from the Data Vote outfit in San Francisco showed the committee one of the punches and how to use it.

There being no further questions, Mr. Freeman thanked the witnesses and they left at this time.

There was a brief recess.

3/7/74

JOINT HOUSE AND SENATE FINANCE COMMITTEE  
Wednesday, March 13, 1974  
1:30 p.m.

Senator Groh, Representatives Freeman, Ferguson, Haugen, and Warwick were present. Also present were Dr. Frederick, Executive Director, Alaska Historical Commission, and Commission members, Evangeline Atwood, Emily Ivanoff Brown, and Bob DeArmond, Alaska Historical Society President Bill Jorgenson, representation from Budget and Management, and members of the staff, press and public.

EDUCATION  
OFFICE OF  
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Alaska  
Historical  
Commission

Chairman Groh called the meeting to order at 1:30, explaining that the purpose of the meeting was to hear the budget review for the Alaska Historical Commission. By way of introduction, he noted that the Commission was created by the 1972 legislature. The 1973 budget was \$11,900. The 1974 budget was \$37,400 plus an additional \$5,000 making the actual for 1974 \$42,400. Their maintenance level request is \$37,900; the request they made, \$88,500; and the Governor's Allowance, \$66,900. This allows one permanent full time position and one permanent part time position.

The Chairman then introduced Dr. Frederick, Executive Director of the Commission. Dr. Frederick introduced the commission members who were present along with Mr. Jorgenson, President of the Alaska Historical Society.

Dr. Frederick said that the Commission requested a hearing before the joint committees this year because they felt their budget needed some explanation inasmuch as they are requesting a 75% increase in a year when the Governor has requested all programs be held to a maintenance level, for obvious reasons. The commission wanted to explain that this increased request comes in large part for two reasons. One is that the Governor has approved a reclassification of the position of Executive Director from a Step 21 to a Step 26. The other is that the Governor has also approved a Contractual Services element designed to initiate the commission's research and publication program. It is the commission's intent if this is approved now by the legislature to take the \$15,000 in Contractual Services and to get matching funds from the National Endowment for Humanities and the Rockefeller-Ford Foundations, as they are interested in specific projects the Commission would be interested in. Thus they hope that this \$15,000 will act as seed money and will substantially increase the funds that they have to work with.

Dr. Frederick referred to a publication, The Alaska History News, which he passed out to the committee, which contains a list of the Commission's priority projects. This was prepared in December. Yesterday the Commission met and reaffirmed their commitment to these priorities plus an additional one which is not mentioned in

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the News. That is a Historical Dictionary of Alaskan Political Personalities. This is already in progress and will include 1,000 biographies.

The other priorities include:

Ricks' Bibliography -- This bibliography will update Wickersham's, bringing it up to the early 1960's.

Encyclopedia Alaskana -- This will be a compendium and will be a means by which current research can be made readily available.

Statewide Study for Publication Plan -- This will be a comprehensive plan for publication of Alaska's past. The project would be coordinated with the national foundations, utilizing the contractual services seed money as the state's share.

[Representatives Ose, Saylor, Meekins and Specking entered the meeting at this time.]

Dr. Frederick continued, stating that the 6th Session of the Legislature had passed a resolution relating to the poor condition of state of Alaska history in the schools. He said that out of that concern by the legislature, the administration and the Historical Society came the push toward improvement of Alaska's historiography, partially in the creation of the commission. The commission's burden and responsibility is to stimulate, coordinate and sponsor research on Alaska's past. It is their feeling that this statewide study will fit right into the National Endowment's policy toward multi-volume sets. A few years ago National Endowment had said that they could not commit themselves to a multi-volume work, but could only go one volume at a time. Their position has now switched and they are very favorably inclined toward this type of multi-volume work.

Mr. Saylor asked about a bill that he has in involving a historical record of pipeline activity, and he wondered what Dr. Frederick's response to that is. Dr. Frederick said that he is certain that the pipeline, native land claims, and many other current topics would be of merit for historical documentation, and he would expect that the commission feels the same. They are, however, working on priorities now as they see them. He mentioned that a few years ago the Bureau of Land Management employed a man who is now the Air Force historian. He had 55 thousand cards on the pipeline. However, his work ceased when pipeline activity ceased, and he is now employed with the Air Force and his work has not been continued.

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Dr. Frederick said that the Bicentennial Commission was created in the same year as the Historical Commission. He said that a main difference is that that commission is directed toward a particular celebration, and that perhaps had the Historical Commission been established earlier, the Bicentennial Commission would have been established as a subcommittee of the Historical Commission. The two commissions do work in cooperation with each other, transferring projects to the other when it seems more appropriate. As far as funding goes, there is considerably more federal money going into the Bicentennial Commission and so their administrative budget alone is around \$50,000.

[Senator Poland entered the meeting.]  
Mr. Specking asked for more information about Ricks' Bibliography. Dr. Frederick referred the question to Mr. DeArmond. Mr. DeArmond said that Mr. Ricks was a probation officer in Los Angeles for years, but that Alaska was his "real love" and that in 1963 he came to Alaska as a probation officer and was later the first curator of the Anchorage Historical Museum. He started where Wickersham left off, and compiled voluminous notes on index cards which were then typed up in rough manuscript form. Being multilingual, Mr. Ricks was able to discover references on Alaska in different languages that had been previously overlooked. In addition, he went into a couple large Catholic university libraries finding references that were heretofore unknown except in those archives. Thus his work provides an invaluable addition to the bibliography of Alaskan works. The bibliography is updated to the early 1960's. Mr. DeArmond mentioned that there are three of the typewritten rough manuscripts -- one is at the University of Alaska, one is at the Consortium in Anchorage, and one at the Historical Library in Juneau. He emphasized that the volumes are rough and require editing and reworking in order to be of greater usefulness.

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Mr. Jorgenson stated at this point that the Historical Society fully endorses the efforts of the Commission and commends their work.

There being no further questions, Chairman Groh thanked those testifying and adjourned the meeting at 2:15 p.m.

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arrangements with local governments. It does say that the road must be maintained. It certainly should not be turned over in dilapidated condition. She said that the immediate influence on the bill was part of the Glacier Highway after the Outer Drive is completed.

Commissioner Campbell said that there has been no plan to turn that road over to the Borough. Rep. Banfield said that there will be houses needing an access road, and it will be that part of Glacier Highway. Mr. Specking said that that sounds like a local problem but this bill deals with the entire state. He said that he could not be satisfied with the language in the bill.

Mr. Warwick noted that there are funds in the Highways budget for maintaining the oad Juneau road, so it does not look as if they are anticipating transfer. Mrs. Banfield said that whether or not they are going to turn over that particular road, she felt that it makes good sense to have provisions on the books for transferring roads.

HB 683 HOUSE BILL 683 (Relating to improvement of Alaska Statutes) was brought up for discussion. Mr. Orsini was present to testify.

Mr. Orsini, sponsor of the bill, noted that Alaska is a young state and as such does not yet have the problem that some of the older states have of having antiquated laws on its books. The purpose of HB 683 is to see to it that this doesn't begin to happen. The bill provides for systematic revision of the statutes by the legislative affairs agency, to be completed every 10 years. The committee appeared to be in agreement with this type of program, but the feeling was expressed that once every 10 years was too long. Mr. Orsini noted that the director of Legislative Affairs stated that they could accomplish this revision at no additional cost to the Agency. However, should their task be to accomplish this every year, they might not have the staff to do this and so Mr. Orsini said he would discuss that possibility with Mr. Elliott. There was some question as to whether or not this was duplication of the job of the Revisor of Statutes and Mr. Orsini said no. Mr. Haugen said that the one thing he would like to see changed in the bill besides the 10 year provision is that recommendations be made to the legislature rather than to legislative council as the bill now states.

Committee decided to have Mr. Orsini check with Legislative Affairs and then report back to the committee.

EDUCATION Dr. Defoe was present to present the WICHE budget. He passed out  
OFFICE OF pamphlets briefing the WICHE program (see department file).  
GOVERNOR

WICHE Dr. Defoe explained that the WICHE program provides support for Alaska students attending other schools in the western region in certain professional areas not available at schools in the state.

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There are 43 students in the WICHE program in the current year.

Dr. Defoe stated that they have not previously had an administrative budget but that this year they are requesting a limited one. They have requested \$1200 for three meeting of the Commissioner and an additional \$1800 to be matched two ways -- \$1800 from WICHE and \$1800 federal monies. This is to make a survey of past WICHE students. This would be done over the interim.

Dr. Defoe continued, stating ~~that~~ the cutoff date for applications wasn't until December 15 and between budget submission and the 15th there were 33 additional applications. There is a letter from the Governor because of this requesting an additional \$20,000, so the total Governor's Allowance is \$334,000.

Meeting recessed at 9:20 a.m.

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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

Commission makes decisions on certain cases and therefore sets precedent for others in the future. Mr. Gutterez stated that every individual case the Commission deals with becomes a "class" action case, but each individual case does not protect every individual in that class.

Rep. Specking inquired as to expensive modifications required on equipment in order to accommodate the hiring of women who may be shorter in height. Mr. Gutterez told the Committee that any weight or height limitation in Alaska will rule out certain minorities such as the Natives who, on the average, measure 5'4", and many women. Mr. Gutterez stated that the expense of modification of equipment would be minimal to a company, however, as compared to the amount of money the company must pay for litigation; if the Commission represents one person in a class action suit due to rejection of hiring, every other person who was rejected previously must be brought into the case as well.

Rep. Specking asked if the Commission then did not recognize the difference between men and women in physical capabilities. Rep. Meekins interjected and told the Committee that it would be reasonable to make some modifications, but regardless of sex, weight, or height, the general population will gravitate to jobs that they can handle and where there will be no rejection.

Mr. Gutterez stated that the Commission does not have jurisdiction to enforce employers to place people who are not qualified to do the job in positions they cannot handle.

Mr. Gutterez told the Committee that most of the individual cases the Commission sees do not have cause for complaint; there is no discrimination; however, the Commission is obligated to investigate every case.

Mr. Radcliffe, Chairman of the Commission, told the Committee that several deletions in their budget request were made by the Governor. The majority of those deletions will bring about ineffectiveness of the Commission. He stated that during the last few years, the Commission has not been getting any increases in their budget compared to other agencies.

Mr. Radcliffe stated that the Commission now has the very best staff on board that it has had since the Commission's formation. More investigators are needed to keep the Commission's backlog from getting two or three years old, and to keep the plaintiffs from becoming frustrated. He said there is no money mentioned for the Commission in the Governor's impact budget, but the Commission faces a dramatic increase in caseloads due to the pipeline impact. He added that even if the people do not have a legitimate case, it takes many man-hours to investigate and determine that they do not.

Mr. Radcliffe told the Committee that three members of the

Commission staff had their Masters Degrees and could have gotten other jobs at an increase in salary; these people instead chose to work on the Human Rights Commission because they are interested in this kind of work. Mr. Radcliffe then concluded his testimony by saying that the Commission is on the verge of a great program if it can have additional investigators in all areas of the state.

Ms. Sylvia Muncey, Vice-Chairperson of the Commission told the Committee that the Commission now has only one Field Representative (Mr. Guitierrez) in Fairbanks with a Temporary Secretary who has not been funded. She stated that with the Governor's disapproval of the Clerk Typist in Fairbanks, Mr. Guitierrez will not have any clerical staff to type up his reports or investigations. Ms. Sylvia Muncey stated that this request for a Clerk Typist in Fairbanks is top priority ALONG WITH a request for a Legal Counsel. She then stated that it is frightening for someone who has not gone through law school to come before union lawyers. When the Commission tries to seek an Attorney General's opinion, Mr. Riederer is often too busy; the Commission seldom gets the legal counsel it needs.

Ms. Muncey then asked that the Legislature give the Commission at least "a couple" of investigators, if not all six. Without the investigators, the Commission will not be able to perform its duties.

Mr. Douglas Luna, Director of the Pipeline Computer Impact program within the Office of the Commission on Human Rights. Mr. Luna said that his position is federally funded; he must monitor recruiting and training programs and coordinate all minority programs to achieve affirmative action plans that Alyeska will approve. Mr. Luna stated that all complaints which must be researched are being investigated now by VISTA volunteers which is against federal regulations; Mr. Luna said he cannot investigate these cases and accomplish his other duties as well. He added that he has a law degree but cannot handle a lot of the legal work.

Mr. Luna said it is impossible to do all coordination, enforcement of state and federal rules and regulations and do research as well. He stated that of the 357 employees currently working for Alyeska, 51 are minorities. Some trade groups do not have minorities working and Mr. Luna must investigate this situation. He said that he did not even have a desk in his office; personnel and administrative equipment are needed desperately.

Mr. Martin Moore again reiterated the impact that pipeline construction will have on the state. He said that by 1974, 6,095 people will be working on the pipeline. Many of the people coming into the state for that purpose will bring their relatives. The Human Rights Commission must have sufficient funding for legal advisors and investigators.

Rep. Specking then asked what position the Human Rights Commission

will take in the event that a non-resident comes in and files suit because of discrimination. Mr. Moore stated that the Commission will help the individual resolve the problem. Rep. Specking then asked if the Commission will have to be impartial with respect to where the person comes from. Mr. Guitierrez stated that they must be impartial.

Rep. Saylor asked for the breakdown of current staff on the Commission. Mr. Guitierrez stated that Mr. Vaudrin was Director of the program; Mr. Guitierrez is an Investigator out of Fairbanks; they have two secretaries in Anchorage and a Temporary Secretary in Fairbanks.

Rep. Saylor said that according to the Governor's budget, the request shows no federal funds coming in with respect to Mr. Luna's position. Mr. Luna said that he had received a telegram which stated that his position is funded for one year. He said that Mr. Vaudrin will telephone and request another year's funding.

Mr. Guitierrez stated that in the contract written, funds were released to the state, and the contract was accepted if funds were expended according to the contract. For FY 74, the Committee released some money to pay for Mr. Luna's salary. Mr. Vaudrin must come before the Committee in June to vote that the rest of the funds be released.

Mr. Luna stated that they are now determining what his salary should be; he is receiving less than was agreed to in the contract. He has obtained outside counsel (as opposed to legal counsel within the Human Rights Commission) for this purpose.

Mr. Saylor commented that the budget for FY 73 shows \$23,000 in federal funds; for FY 74, \$23,000; for FY 75, \$29,800 which the Governor disallowed. Mr. Radcliffe stated that the Commission did not have any federal funds last year.

There being no further discussion or questions, the representatives from the Human Rights Commission left the Committee Room.

At Ease: There was a brief at ease called for before entering into discussion regarding bill consideration. (see bill minutes).

H & S

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. McGuiness, 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.

AFTER RECESS  
2:20 P.M.

PRESENT

All members of the Committee except Rep. Ferguson. Mr. Richard Renninger, Director of Vital Statistics, and his Assistant were also present. In addition Budget and Management staff and Mr. Joe LaRocca, reporter, were present.

GENERAL  
GOVERNMENT

Chairman Freeman called the meeting back to order and said they would be discussing the General Government category of the Budget. He turned the Chair over to Mr. Saylor who would be conducting the meeting in place of Mr. Ferguson, Chairman of that Sub-committee.

DEPT. OF  
HEALTH &  
SOCIAL  
SERVICES

Mr. Saylor stated they would be hearing testimony regarding the Division of Vital Statistics. He asked Mr. Renninger to begin his presentation.

Vital  
Statistics

Mr. Renninger stated that in 1975 they would be experiencing the normal type of increases associated with inflation. They are experiencing some increased workload as a result of the Native Land Claims Settlement. It isn't settled as far as they are concerned because they have a lot of work verifying Native births. In this fiscal year they started microfilming of records which had been deteriorating. They hope to complete that in FY 75. They also started on a project of renewing cooperation with the local registrars to visit and do training with respect to Vital Statistics.

Thus, the major increases in the FY 75 budget involve the completion of the microfilm project at \$4,200, and increased travel for direction, supervision and control of activities of local registrars at \$1,800.

As far as increased personnel costs, the only additional thing they are asking is for temporary help to complete the microfilm project. This involves the initial set-up of the new system, the preparation of files for the alphabetical index, the rearranging of the selection, and checking for clarity on the microfilm.

Mr. Renninger thought they were probably all familiar with the functions of the Division of Vital Statistics.

Mr. Specking said that he really wasn't familiar, and wondered what was vital other than life and death. Mr. Renninger said they maintain all birth and death certifications as well as adoptions, divorces and marriages. They also take care of delayed birth certificates, which is by Statute required for persons who have not established birth within a certain period of time. This involves expensive research in establishing place and time. This is one of their most time consuming projects especially with the Native Land Claims because many of the Natives have not established the place and time of their birth. They have to contact various churches, the Bureau of Indian Affairs, the school system, in order to verify the birth.

Mr. Renninger explained that because of the Land Claims, now there was a large group of people needing to verify their births. Before, they didn't care. One of the things involved is proof of race. Establishment of race is sometimes clouded by things like adoptions, where the facts of the original birth is hidden in their files.

Mr. Saylor asked the role of the Division of Archives and Records in the microfilming process. Mr. Renninger replied that they were doing the actual microfilming for Vital Statistics. Mr. Saylor asked whether the Clerk III was for Archives, and was told no.

Mr. Meekins asked whether it was possible to get information, such as the time of your birth, from the Division. Mr. Renninger said that it was.

Mr. Haugen asked whether they charged for such a service. Mr. Renninger explained that they didn't charge for things which were required by Statute, although there is a \$3 filing fee. They charge at an hourly rate for research which they do which isn't statutory.

Mr. Saylor asked what the filing fee was supposed to cover, and Mr. Renninger said it was for the time used in preparation of the document.

Mr. Meekins asked whether the Court System kept records of deaths divorces and adoptions which were separate from what the Division of Vital Statistics kept. Mr. Renninger said that the Division of Vital Statistics kept all of the records. He said that the local registrars were members of the judicial system and that they kept one local copy which contained some of the local information. He supposed that the Courts kept their own files, so there were two different places where statistics were kept.

Mr. Warwick said he had been going to say he couldn't really see how there would be enough work for 12 people when he noticed that 5 of the positions had been vacant on December 19 and that the periods of vacancy had varied. Considering that, he asked why they needed another part time employee. Mr. Renninger said they were asking for a Clerk position which is not a specialized position but a more straight forward task. He said that the reason for the vacancies was because of the special qualifications which they require, it has been difficult to recruit people to handle the documents.

Mr. Warwick thought it might be easier to reclassify one of the positions which had been vacant to a Clerk III. Mr. Renninger said they had a backlog of work which required the skills of a Document Specialist Clerk.

Mr. Warwick asked how many vacancies there were now, and was told there were none at the present time as far as Mr. Renninger knew.

Mr. Warwick asked Mr. Renninger to find out, and if there was one vacant, tell them if they would like one reclassified.

Mr. Renninger pointed out that the Clerk III was just a temporary position who wouldn't be needed after next year.

ADJOURN

Meeting adjourned at 3:40 P.M.

2/22/74

AFTER RECESS  
March 18, 1974  
Monday  
1:35 p.m.

Present: All members with the exception of Representatives Meekins, Ferguson, and Barber. Also present were the following: Milt Barker, House Fiscal Analyst; Dr. John Yankey, Health and Social Services consultant to the Finance Committees; Dr. Josh Wright, Legislative Consultant to the Finance Committees.

From the Department of Administration, Division of Budget and Management: Myrt Charney, Director; Mike Orelove, Budget Analyst.

From the Department of Health and Social Services: Dr. Fred McGinnis, Commissioner; Jim McClain, Deputy Commissioner; V. L. Iverson, Director of Administrative Services; Mr. Stan Harris, Director of Family & Children Services; Mr. Roy Pagenkopf, Director of Assistance Payments; Mr. Mailer, Director, Social Services.

Other interested observers were also present.

SOCIAL  
SERVICES

Chairman Freeman called the meeting to order and turned the meeting over to Rep. Warwick, Chairman of the Health and Social Services budget subcommittee.

Rep. Warwick called upon Commissioner McGinnis to present an opening statement to the Committee. (See departmental budget file for copy of written statement.) The Commissioner told the Committee that in the Social Services budget, the department had attempted to subject each program to close scrutiny which will provide maximum benefits for minimal state dollars.

Quality  
Control  
and  
Collec-  
tions

Referring to a new Budget Request Unit in the Social Services budget entitled "Quality Control and Collections", Commissioner McGinnis said copies of the revised budget which will include this new program will be distributed to the House Finance Committee later in the day. The new BRU is constructed by taking current positions with their functions and dollars, and by prioritizing and taking some requested new positions from various BRU's.

Representative Haugen then asked Commissioner McGinnis if the department is asking for any increases which were not included in the budget as a result of any outside legislation. Commissioner McGinnis replied that all increases referred to in his opening statement were anticipated in the Governor's budget.

Mr. Stan Harris, Director, Family & Children Services, then presented a brief statement to the Committee. He stated that the Division of Family and Children Services is broken down into two sections: Social Services and Assistance Payments. The entire division administered approximately \$50,000,000 per year in those two sections. The sectional separation is mandated by federal law.

Mr. Harris told the members that from an administrative viewpoint, the division must have sufficient permanent full-time position; because of too many temporary employees, the division's "error rate" has been high, and training temporaries results in inadequate knowledgability of staff due to the turnover rate.

Mr. Harris then said that another major concern in this year's budget is to raise the AFDC level of legal maximum payments to recipients.

ASSISTANCE Mr. Harris then turned over the department's presentation to  
PAYMENTS Mr. Ron Pagenkopf, Director of Assistance Payments, who will explain this portion of the budget to the Committee.

OAA  
AD  
AB

Mr. Pagenkopf told the Committee that it is quite difficult to arrive at what the cost of the programs will be, particularly under the Aid to the Blind and Aid to the Disabled; changes are being made daily as regulations are interpreted from the federal level. All changes seem to have an impact on these cases.

Mr. Pagenkopf said that Old Age Assistance, Aid to the Blind and Aid to the Disabled fell under Adult Public Assistance-- Alaska's former system. The former program of Adult Public Assistance was a joint federal-state grant system under Title XVI of the Social Security Act. The state set a needs standard of \$250 and then made an assistance payment of the difference between \$250 and the individual's income. The assistance payment was a 50/50 match.

The former program ended on January 1, 1974 as the SSI (Supplemental Security Income) program commenced. The SSI program sets an income floor (\$140) and if there is no other income resource, the SSI provides for the basic federal payments. If the recipient has other income, the federal payment will be the difference between the amount of income and the basic federal income (with \$20 disregarded). If the individual's monthly income is over \$140, the individual is not eligible for the SSI payment.

In 1970, the State of Alaska established a \$250 maximum "needs standard". This is the amount an individual will need to live in Alaska. An individual who has a monthly income of (for example) \$160 would not be eligible for SSI, so the state will provide \$90 to the recipient to raise the individual to the \$250 need standard. If the individual does not have an income, the state will provide the required amount to bring the total

(\$140 SSI basic income level and \$110 State share) to the \$250 State needs standard.

The Social Security Administration regulations no longer require the inclusion of the \$100 per month Alaska Longevity Bonus payment in the minimum income level. The federal law, however, says the \$100 will be counted as income when supplemental security benefits are calculated. A waiver was authorized through December 31, 1973, which excluded the Alaska Longevity Bonus payments as income. This was repealed 1/1/74. Then PL 93-233 passed (on 1/3/74), which extended the "Demonstration Project" for another year, making it possible for Alaska to apply for the Longevity Bonus waiver. It is anticipated that this waiver will be granted on or before 4/1/74. If the waiver is not approved again, a larger portion of the payment to Alaska Longevity Bonus Old Age Assistance recipients must come from State funds in order to preserve the Bonus provisions and to meet federal mandates. Under Supplemental Security Income, the grant for each OAA recipient who also receives the Longevity Bonus will then cost the State \$100 more than for an OAA recipient who does not receive the Longevity Bonus unless the demonstration project waiver is reinstated.

At the present time, federal regulations provide that a single person who on 12/31/73, received \$250 OAA and \$100 Longevity Bonus is eligible for SSI and is eligible for Medicaid benefits.

Mr. Pagenkopf stated that there is no longer any federal matching money for Aid to Blind and Disabled. The federal government sends a check directly to the recipient rather than having any payment go through the state.

Rep. Saylor asked if the federal dollars directed to the recipient are in the same amount of money as previously. Mr. Pagenkopf replied that the federal dollars were the same. He said there are two different programs: the grandfather cases and the new cases after 1/1/74 where the state can do anything it wants.

AFDC

Mr. Pagenkopf explained that in AFDC the present program is designed to take care of needy children who are deprived of parental support (in instances of divorce, incarceration, death, etc.). The state has a legal maximum ranging from \$125 for parent and child under 5 years of age up to \$600 or more depending on the family composition. The new program will put the payments and need standard at the same level based on income poverty guidelines.

Rep. Saylor asked what the state would have to do to adopt federal standards for eligibility. Mr. Pagenkopf stated that there is a provision in the disability statute where a federal definition could be inserted. He said that the federal definition would be less considering the experienced 30% denial rate. Under Aid to Disabled, this would mean 30% of \$2.5 million.

Rep. Saylor then asked if there is any differentiation between the federal and state definitions on AFDC. Mr. Pagenkopf replied that there is none.

Brief discussion followed on the "30 and 1/3" concept, which must meet other factors of eligibility.

Rep. Saylor then asked Dr. Yankey to review SB 310 (relating to aid to families with dependent children).

Mr. Pagenkopf stated that as long as people are eligible with assistance payments of at least \$1, they are eligible for Medicaid. Dr. Yankey stated that many states have a program where the husband and father may be unemployed and will thus qualify as a "deprivation factor" (while still remaining in the home) and thus allow the mother qualification under the AFDC. Dr. Yankey said this is quite different from the program now in the state where the husband and father cannot be in the home before the family will qualify for AFDC; the advantage to the other type of program is that it prevents desertion of the father who will leave the family in order for the family to qualify. He added that the State of Alaska may not wish to move in this direction with the pipeline construction situation. Commissioner McGinnis added that it would also present a problem with many unemployed Natives.

Under Old Age Assistance, Rep. Saylor asked on what basis the Governor established \$899,800 as the total amount for the BRU. Mr. Pagenkopf said it was done on the basis that the Longevity Bonus would be waived for income purposes.

Mr. Barker stated that the Governor had taken out too much money when figuring the Longevity Bonus might be disregarded.

Rep. Warwick then asked what the department's best estimate was for its fiscal needs under OAA for the next fiscal year. Mr. Pagenkopf said that it is difficult to know at this point, but if all contingent aspects developed in their favor, the least amount they would need for OAA alone would be \$899,800.

Commissioner McGinnis told the Committee that the department would provide a profile on the basis of \$899,800 by showing the number of caseloads and amounts. They will present two different computations and how they arrived at \$899,800. Mr. Pagenkopf added that it must be kept in mind that the payrolls between the two systems are extremely unreliable. Dr. Wright asked that the department come up with the cost for the first half of the fiscal year vs. the second half. He said that even with the "unreliable" payrolls, the department should be able to make some fairly good estimates for the second half of the fiscal year.

Mr. Pagenkopf then told the Committee that the SSI program has considered the January and February, 1974 longevity bonus already. They must get money to the people because they have underpaid them; therefore, the state has overpaid them. This is quite a task to figure out. Rep. Warwick then asked if the state will get a refund because they overpaid the people? Mr. Pagenkopf said "in essence, yes."

Rep. Saylor asked how accurate the 1973 average of caseload numbers (2,020) under OAA really is. Mr. Pagenkopf replied that it is quite accurate; the number remains "pretty static".

In response to Rep. Warwick, Mr. Pagenkopf said that the Longevity Bonus is not involved in the Aid to Blind and Disabled programs because they are all generally under the age of 65.

Under Aid to the Disabled, Mr. Barker told the Committee that the caseloads are growing; the number of caseloads under Aid to the Blind remains pretty much at the same level.

Mr. Pagenkopf stated that the definition for disabled is for those who cannot engage in substantial employment and where their medical situation remains static or becomes worse. Rep. Specking asked if the number of people under the AD program is growing because of reduced criteria for eligibility. Mr. Pagenkopf said that the increase has not been studied, but it is one of the best programs for aid; the increasing number is not due to reduced criteria for eligibility.

Dr. Yankey pointed out that in other states, many have been "hard pressed" for general relief funds and have therefore made a less stringent definition of disability.

He added that many states have the option of "presumptive eligibility", where the recipient will receive a check upon application if the officer presumes the recipient disabled in just one interview. If it is found that they are not eligible, the state would have to pay back all the money; and the federal government would not share in the payment.

Dr. Yankey said that many states "dumped" many Aid to Disabled cases by turning them over to "presumptive eligibility" so those people would be "grandfathered" in under SSI and would qualify automatically under medical conventions. Dr. Yankey then asked if the department had done this. Mr. Pagenkopf stated that they had urged the district office to process disabled cases quickly so that they would get "grandfathered" in and could get under the SSI program, but due to the Public Law, all cases as of July 1 are being reviewed again. Dr. Yankey remarked that any "dumping" would explain their increase in caseloads.

Discussion followed regarding whether people can exist on the \$250 state needs standard. Rep. Specking said he suspected that many people under this program are institutionalized. Mr. Pagenkopf said that many are, in fact, in nursing homes. Rep. Specking then asked if the money will then go to the institution rather than the people. Mr. Pagenkopf replied that the institutionalized person will receive \$25 per month and the rest of the money will go to the institution.

Mr. Pagenkopf then stated that there is a general provision in the state plan that a person cannot deprive himself of resources to provide himself with public assistance. Dr. Wright asked if that provision is actually enforced. Mr. Pagenkopf said that depart-

mental workers are supposed to check out the resources available to the person.

Discussion followed on the Health and Social Services audit conducted by the Legislative Audit Division. Mr. Iverson told the Committee that AD records must remain confidential. Mr. Harris commented that the information (private records) would be available to the individual auditor but not to the Budget and Audit Committee as a whole. Mr. Iverson countered that there is a stringent law protecting any individual in these cases; confidential records can be seen only by those people involved in the direct administration of the case.

Concern was expressed by the Committee over inadequate examination of an individual's resources by the department.

With regard to General Relief, Mr. Iverson told the Committee that the department is now having an argument with HEW and has had one for nearly two years over GR. Whether or not the program will receive federal funds is being argued at this time.

Rep. Warwick asked how much they had received as of this date. Mr. Iverson said that the entire matter is being held in abeyance until the problem is resolved because the department will be able to claim more.

Dr. Yankey asked what the "lag time" is between applications for SSI and the time the recipient will receive a check. Mr. Pagenkopf stated that for those persons applying after January 1, he was not sure, but they originally had been told that the recipient was receiving a check after about 45 days. He added that they can be granted \$100 immediately upon application. Dr. Yankey pointed out that the Social Security Administration has taken over this program and now determines eligibility for adult categories; it takes six weeks to determine a disabled case. The SSA can pay the recipient up to \$100 but the recipient may go for weeks without any money; the state must therefore pay out of general relief money; he added that the first \$100 is taken out of the first check. Mr. Pagenkopf said that the Bureau of Indian Affairs is a great advantage in this situation; as many cases that can qualify are referred to the BIA.

Recess: Rep. Freeman, Chairman, called for a recess at 3:20. The Committee would reconvene at 3:25.

AFTER RECESS  
3:35 P.M.

PRESENT Representatives Warwick, Haugen, Freeman, & Specking. Department of Health & Social Services people were still in attendance.

SOCIAL SERVICES Mr. Warwick, Chairman of the Social Services Category of the Budget, called the meeting back to order and said they would continue with testimony from Ada Gleason.

Social Services Ms. Gleason said that the Social Services budget request unit is divided into two elements. It is responsible for promulgating standards for such purchased services and assuring compliance through consultation and inspections. It is also responsible for determining eligibility for Social Services under State and Federal requirements, assessing individual and family social services needs and developing with the client a plan for social service consistent with social goals for the individual or family. That plan may include authorization for purchase of service, referral to other resources, direct provision of social services. The social services worker depends upon Program Services for resources and alternatives. For this reason, many areas in the two BRU's are identical.

The bulk of services is focused on those families and individuals currently receiving financial assistance and to the high risk target population at or near the financial assistance poverty level who may be past or potential recipients of financial assistance.

They help people to achieve the following goals: self-support goal; self-sufficiency goal; strengthening family life goal; and child development goal.

Ms. Gleason referred to a chart which indicated some barriers to the accomplishment of these social goals. There were 25 goal attainment barriers listed, and Ms. Gleason said there were many types of barriers, the number of which is limited only by a person's imagination.

She explained that a client or recipient states what he thinks his goal should be, and the social worker helps the person to realize whether its a realistic goal. The social worker can also help a person to see barriers they may not have been aware of.

The social worker tries to maintain purchased service resources to meet already identified needs of the individuals and families; to maximize utilization of other agency resources to enable accomplishment of the four stated goals--Dependence on other agency resources will continue until the following plan is formulated--; and to formulate a plan for FY 76 to develop additional resources to remove identified goal attainment barriers. All other agency resources will be reviewed, and only those services which are not available without cost will be considered.

Ms. Gleason said that pages 360-371 described the average social workers man-hours. She said there is a shortage of 27 social workers. The new Division of Quality Control and Audit would reduce this to two new social workers. The adjust is:

Social Work	\$1,866,100
Eligibility Determination	242,500
TOTAL	<u>2,108,600</u>
Federal	1,307,400
General Fund	801,200

Mr. Specking asked how often they solved a problem and got a person off the rolls. Ms. Gleason replied this was a new system which had been mandated by new social services regulations of the Federal Government. She said they were in the process of developing a statistical system which would show them the cost. She said they expected that to be in place before FY 76. She said they had never had a system up until this point which would determine how successful they have been.

Mr. Warwick asked what criteria they used to determine whether a person was eligible for social services. Ms. Gleason said that anyone currently in the State was eligible for social services. She said they didn't refuse social services to anyone because of income. The determination of income is to determine eligibility for federal reimbursement for services which are provided. In order to maximize federal dollars, they have to create a link to one of the categories and show whether the person is a current recipient, a potential recipient, or a former recipient.

Dr. Yankey asked if there was a certain percentage of AFDC standard. Ms. Gleason said they would use current federal regulations for federal receipts of assistance that are in existence which would define the level of income to receive services.

Mr. Warwick asked if they provided that care. Ms. Gleason said it was in a different BRU. She said there were income guidelines for that. They are responsible in that the statutes provide that all facilities providing care must be licensed by the Department. She added that Social Worker's are responsible for licensing of Day Care.

Mr. Warwick noticed that the Governor had disallowed the Child Care Licensing Supervisor. He asked what the effect of that would be.

Ms. Gleason explained that the statutes say that all facilities that care for children must be licensed. She estimated there are over 1300 organized day care places in Alaska. She said they don't have the staff to keep up with licensing of those facilities in which they are paying for day care.

Mr. Warwick asked about geographic distribution of services. Ms. Gleason replied there were 24 district offices throughout the State, but that the majority of the staff is concentrated where the majority of the population is.

Mr. Warwick noted they were asking for about 12 more people than they received from the Governor. He asked what services they wouldn't be able to provide because of that. Ms. Gleason said they wouldn't be able to license day care except where they are required to in order to be able to pay for it. She said other services would suffer in that they wouldn't be able to provide it to the degree they feel is necessary. She pointed out they were very crisis oriented at the present time.

In answer to a question from Dr. Yankee, Mr. Stan Harris said that at the present time, on the State Plan, they are using the Poverty Guidelines for Alaska as compiled for the Department of Labor plus 133 1/3%

Mr. Specking asked whether the day care units that needed licensing included those done in individual homes. Ms. Gleason said yes. The statute covers anyone providing care for an unrelated child in his own home, and says they must be licensed by the Department. She said this excluded those doing this on an occasional basis for a friend or neighbor. It was meant for those who are in the business.

Mr. Specking asked how many actual day care centers were licensed, and Ms. Gleason said that in FY 73 there were 40, Planned for FY 74 and maintenance for 75 is 46 licensed day care centers.

Mr. Haugen asked how long the statute had been in effect. Ms. Gleason believed it has been there since sometime before Statehood.

Mr. Specking asked about Title XVI and IV funds for FY 75. Mr. Harris said the amount would be \$3.9 million, as far as he knew.

Commissioner McGinnis said that was Title XVI primarily. The ceiling this year was \$3.9 million and was stated in the Federal Act. He referred to HR 3153 which is in Free Conference Committee in Congress. What he thinks it says is that no State would receive less in 74 than it actually used in 73. That would give them approximately another \$2 million in 74. It doesn't speak to FY 75. He said they budgeted \$3.9 for 74 so they budgeted \$3.9 for 75, but he said it was in the state of flux and they were hoping Congress would do better by Alaska than it has done up until now. The Federal Act in existence now holds to population, and that is why they went from \$22 million to \$3.9 million. He said it would take another Federal Act to raise it.

Mr. Warwick asked Ms. Gleason to go on to Program Services (page 44 of the short form).

Ms. Gleason said that Program Services represented purchased services from Institutions, Foster Homes, Day Care Facilities, and other

agencies. These resources are developed through consultation by the staff contained in the Social Services BRU. The floor of quality contained in these programs is directly dependent upon adequate personnel in the Social Services BRU to inspect for compliance with State and Federal Regulations and to perform program auditing. The professional level of service is continually being upgraded through the utilization of staff development services as offered by Division personnel and purchased contractual training services.

These program services show resource alternatives to meet individual and family needs as specified in each plan for services.

Ms. Gleason said the budget basically reflects maintenance level which uses 5% inflation and 4.6% population increase. The overall budget is reduced primarily because of shifts from institutional care to foster care. The budget represents the bare minimum to provide requirements of federal and state law.

Mr. Warwick asked what Homemaker Services were, and Ms. Gleason said this was where trained or untrained home helpers went to the family or individual's home to help them to overcome specific barriers to maintaining, strengthening, and safeguarding their functioning in the home.

Mr. Iverson explained there were two different levels of payment. The skilled homemakers made about \$4-\$4.50 while the home helpers made a lesser rate. It is 75% federally funded through Title IV and XVI and the State contracts with Alaska Homemakers Inc.

Mr. Warwick asked whether they placed unemployed recipients as Homemakers. Ms. Gleason said they had tried placing some of their AFDC recipients as homemakers, but the results were not that great because they usually had young families themselves and couldn't be away from their own homes that long.

Mr. Warwick said they could go on to discuss Foster Care.

Mr. Freeman asked how many employees there were for Foster Care. Ms. Gleason said there were none in Personal Services for Foster Care. In fact, she said there were none in this BRU at all.

Mr. Warwick asked why, and Ms. Gleason said the entire budget was for services which they purchase which other people provide to their recipients. She said all of the social workers were in the Social Services BRU.

Mr. Warwick asked whether they encouraged foster parents to adopt the children. Ms. Gleason said that most of the children were not free to adopt. Their goal is to help the child and family work out problems or to get the parents to terminate parental rights and make the child free for adoption. She said the average payment is \$200 per month.

Mr. Warwick asked how many children were in foster homes, and Ms. Gleason said there are 600 at this time.

Mr. Warwick stated that their budget was up substantially. He wondered whether they were going to increase the payments. Ms. Gleason said they held rate hearings every year and payments were adjusted on that basis. He said that foster homes were not covered under full cost of care, but payments had to be sufficient to keep the foster homes caring for children.

Ms. Gleason said the number of children in foster care and institutional care has been comparatively stable. She expected there would be some growth as the population increased.

Mr. Warwick asked whether a substantial portion of these children were Native. Ms. Gleason said about 70%.

Mr. Warwick asked where the federal funds came from, and Ms. Gleason replied they came from the link of child to families which were or would have been eligible for aid to Families with Dependent Children.

Mr. Warwick asked if they could get money out of the parents for those that weren't linked.

Ms. Gleason said that if a child was committed by a Court, the Court could state the parents were to pay, and if the parents voluntarily committed their child, then the parents are supposed to enter into an agreement to pay.

Mr. Warwick asked that they go into Institutional Care.

Ms. Gleason said that Institutions, Receiving Homes, and Group Homes, all full cost of care facilities, must implement therapeutic and viable programs which will meet a child's needs. To be effective, this entails innovative approaches, trained personnel, and specialized equipment. Costs are maintained through increased program monitoring for compliance with regulation, and fiscal and program auditing. In FY 75 they plan for homemaker service and day care service to assist in reducing the number of children needing institutional care as demonstrated in the Juneau Receiving Home in FY 73.

Mr. Specking asked how they arrived at full cost of care. Mr. Iverson said that under AS 47.40.010, it says the Department would determine the rates to be paid. These are based on prior year expenditure plus cost of living increases. Mr. Iverson said rate hearings had just been concluded, so they were in the process of developing them.

Mr. Specking asked if anyone had a list which showed exactly how much an institution got. Mr. Iverson said they would provide that.

Mr. Warwick asked whether the Department licensed the institutions, and Ms. Gleason said yes. Mr. Warwick then asked whether placements were made solely through AFDC, and Ms. Gleason said that the Division of Corrections also made placements.

Mr. Warwick asked about occupancy in the institutions, and Ms. Gleason said they weren't close to capacity. In fact, they seem to be less than capacity most of the time. Mr. Warwick asked if this didn't drive up the cost, and Mr. Stan Harris said it definitely did. Mr. Warwick asked if they couldn't refuse to refer recipients to them. Ms. Gleason said there were some institutions which they didn't use because they served only the Division of Corrections.

Mr. Specking asked if it would be possible not to license more institutions. Ms. Gleason said they couldn't refuse to license an institution if they met the requirements. Mr. Warwick thought they could try to discourage new institutions from coming about. Ms. Gleason said they were telling them about the financial difficulties other institutions were facing.

they had  
Mr. Warwick asked how many/licensed this year. It came out that there were three new licenses this year. However Ms. Gleason said that old licenses had to be renewed each year.

There was further general discussion about the matter.

Mr. Warwick said they would go on to discuss Day Care.

Ms. Gleason said that Day Care services are offered for children whose parents are in training or employment or who are incapable of providing adequate care and for children with special needs. Day Care is an essential service for children of single working parents. As more women find it necessary to work, the demand for this service increases proportionately. The current level of care is minimum as revealed by a Region X HEW FY 73 evaluation. Revised State regulations will increase the quality of care, particularly for infants. State and Federal Requirements will be implemented over a two year time-frame allowing facilities time to meet the higher requirements. A rise in cost is anticipated. No change is requested due to the Federal IVA funding ceiling and to stay within the Governor's allowance. Federal participation is 75 percent.

Ms. Gleason said that as for federal grants, the only area this is being done in is Juneau and that is under Model Cities/Housing and Urban Development, which is unrelated to the Department of Health & Social Services.

Ms. Gleason went on to speak about Adoptions. She said adoption placements are quantitatively decreasing in number for the white child. However, the quality of adoptive service is increasing due to the acceptance of active recruitment of homes for the black, full native, physically and mentally disabled and teenage child. The Division

placed 120 children in FY 73, however they closed intake for applicants requesting children under age 5 for several months. They anticipate a longer open intake in FY 75 due to expected Vietnamese children.

Mr. Warwick asked whether they adoptions were broken down by racial groups. Ms. Gleason said she could probably provide that information for him.

Mr. Warwick asked her to go on to Protective Services.

Ms. Gleason explained that Protective Service resources in this BRU include institutional care, foster care and day care as services given following crisis intervention. Securing Protective Service for children is especially dependent upon the personnel designated for protective service in the Social Service BRU. Crisis intervention involves identification and responding to instances requiring substantiating the evidence of neglect, abuse, or exploitation of a child; helping parents recognize the causes thereof and strengthening parental ability to provide acceptable care; or if that is not possible, bringing the situation to the attention of appropriate courts for crisis intervention, and furnishing relevant data, and providing follow up services as directed by the court. Day care is being offered in lieu of some foster care as an alternative in FY 75 for select protective services cases. This lower cost of care may afford crisis relief for the parent and with careful placement may assist the child toward security and developing his potential. Some Federal matching funds are available.

Ms. Gleason added that this program was funded for the first time in FY 74. The Legislature established the program in FY 73, but didn't fund it.

Mr. Warwick said they would go on to discuss the Alcantra Youth Campus. Mrs. McLaughlin, Director of Alcantra, was present to testify.

Mr. Warwick asked Mrs. McLaughlin what they did there. Mrs. McLaughlin said they had a professional treatment program for approximately 30 boys who are dependent, neglected, and or sometimes delinquent. She said they had their own school. She explained they were a somewhat closed society as they were located 3.5 miles from Wassilla in the Matanuska Valley. She said they served only boys, but if they get their new buildings, they propose to have a co-educational institution.

Mrs. McLaughlin said the boys stayed about 7.5 months. She said they had a behavior modification program, which begins a process of changes of behavior from the outside.

Mr. Warwick asked how the graduates turn out. Mrs. McLaughlin said that most of them go back home and make it all right.

Mr. Warwick asked how they fared in schools once they got out. Mrs. McLaughlin said some did fairly well, and others not so well.

Mr. Warwick asked about funding. Commissioner McGinnis referred to a letter from him which he had given to Mr. Freeman that day. He gave the Committee copies. It said the following:

At the time the Alcantra Budget Request Unit was prepared, Federal financial participation was estimated at 50 percent.

In January, a team from Rexion X of Health, Education, and Welfare visited the institution and declared it to be a full-time comprehensive social service center eligible for 75 percent Federal financial participation.

The following is a breakdown of the Fiscal Year 1975 budget showing both plans:

	<u>Totals</u>	<u>50%</u>	<u>75%</u>
100 Personal Services	328.5	164.3	246.4
200 Travel	7.9	4.0	5.9
300 Contractual Services	165.0	82.5	123.8
400 Commodities	64.6	32.3	48.5
500 Equipment	15.0	7.4	11.3
700 Grants, Claims, Shared Revenue	<u>4.1</u>	<u>2.0</u>	<u>3.1</u>
Total	585.1	292.5	439.0

The above figure (439.0) then increases the load on the 4 A ceiling by 146.5. There is no room under the ceiling to claim this amount.

At the same time, the estimated employees pay raise will have further impact on the ceiling.

General discussion on Alcantra followed.

Mr. McGinnis passed out copies of the new BRU that they have which is entitled "Quality Control/Collections Agency".

Meeting recessed at 5:05 P.M.

RECESS

AFTER RECESS  
Tuesday  
March 19, 1974  
4:15 p.m.

Present: Committee members Haugen, Freeman, Saylor, Ose, Warwick, Ferguson.

Also present were: Dr. John Yankey, Health & Social Services Consultant to the Finance Committees; Dr. Josh Wright, Legislative Consultant to the House Finance Committee; Milt Barker, House Fiscal Analyst.

From the Department of Health and Social Services: Dr. Fred McGinnis, Commissioner; Mr. W. L. Iverson, Director of Administrative Services; Mr. Howard Bradshaw, Director, Pioneer Homes; Mr. Gary Sheridan, Administrative Assistant for Pioneer Homes; Mr. Bill Mailer, Program Administrator for Social Services; Mary Beth Hilburn, Coordinator, Office of Drug Abuse.

SOCIAL  
SERVICES

Rep. Freeman, Chairman, called the meeting to order, and turned the meeting over to Rep. Saylor who asked Mr. Bradshaw to present an overview of the Pioneer Homes' budget.

Pioneer  
Homes

Mr. Bradshaw told the Committee that each year they have asked the Legislature for funds for their share of social services positions to offer to the Pioneer Homes in order to get recoveries from the federal government; all requests have been denied for those positions.

Mr. Bradshaw stated that there are a total of nine positions (3 for each home) which constitute their social services position request: three social workers, three recreational therapists, and three occupational therapists.

The Committee then considered the Pioneer Homes' budget by individual facilities. The first home to be considered was the Sitka Pioneer Home.

Mr. Bradshaw said that although 15 positions were requested for the Sitka facility, the Governor eliminated several, and they are not asking for anything beyond what the Governor allowed.

Mr. Mailer told the Committee that the Pioneer Homes come under the ceiling money of the Revenue Sharing Act; there were several programs that cut across the lines to make up the total \$3,901,750 which is the maximum federal matching that they are allowed for social services for the total Department of Health and Social Services. Mr. Mailer said that they felt that social services positions that are in Pioneer Homes can be claimed as departmental personnel under

this ceiling. He then stated that Mr. Sheridan put together the amount of federal matching Pioneer Homes can receive which totalled \$297.4. Mr. Sheridan said that the \$3,901,750 is based upon the amount of services that the total staff gives in this area and based on professional staff total salaries. It is a match of 75/25.

Mr. Mailer said that the department feels that Pioneer Homes can be recipients of Title IV and XVI funds if they are accepted by the federal government as comprehensive social service centers. They will be able to claim federal matching monies under this acceptance.

Commissioner McGinnis told the Committee that the department does not want to count on the 75/25 match and have their budget depend on it.

Mr. Bradshaw then stated that the Sitka Pioneer Home has 120 guests; normally, they would have 160. Rep. Saylor questioned Mr. Bradshaw over the renovation plans for the facility. Mr. Bradshaw stated that the renovation will commence this month and will be completed in December, 1974, at which time they will have full capacity of 160 guests.

Rep. Saylor commented that the four nursing positions requested are programmed to be used for the additional people; wouldn't it then follow that those positions will not be needed until December when the renovation is complete and will allow the extra guests to enter the facility. Mr. Bradshaw replied that the present staff is now inadequate; there are not enough nurses to keep one on duty at all times.

Rep. Saylor asked what the ratio was for men to women in the facility. Mr. Bradshaw replied that the ratio was 2 men to one woman.

Dr. Wright then referred to the aforementioned \$3.9 million ceiling. He asked if the ceiling had been reached already. Commissioner McGinnis stated that the department will use \$3.9 million for FY 74. He added that they are hoping that HR 3153, presently in Free Conference in Congress, will pass which will give the department \$2 million more for social services. He stated that because the close of the fiscal year is nearing, the department would have to be very cautious on how the money (if granted) would be utilized.

Mr. Bradshaw told the Committee that the average match received is 60% (some 75/25, some 50/50).

Mr. Mailer then stated that in October, 1972, the Revenue Sharing ceiling caused the department to cut back \$22 million in contracts to \$3.9 million. Mr. Iverson then said that federal financial participation in Pioneer Homes is questionable based on the visit of Region X officials to the Palmer facility; Mr. Iverson said "we are doing battle with them now". Region X says that there is very little in the Pioneer Home program

that would be reimbursable. He said the only federal reimbursement possible is for social workers, which computes to \$30 thousand to \$35 thousand. He then stated that they have temporary Social Workers on board.

Mr. Iverson then said that there is doubt whether the Pioneer Home program does qualify as a comprehensive social services program (center). There is a residence requirement which violates the Shapiro decision, but the department is satisfied that they can claim and do battle with the federal government; Following the visit of Region X in January, however, the situation has become involved once again.

Mr. Iverson said that the department would be remiss in not trying to qualify the Pioneer Homes as social service agencies, which can be done through justification and documentation.

The Committee then considered the Fairbanks Pioneer Home. Mr. Bradshaw stated that the facility will handle 120 guests and will be completed for full occupancy in a number of weeks. The staff will be doubled. The positions requested for this facility are only basic staff--housekeeping, nursing, etc.

Discussion followed on the Palmer Pioneer Home. Mr. Bradshaw told the Committee that there is a capacity in this facility for 60 guests. They hope to award a contract within five weeks to increase the capacity to 88; that will not require any funding in this budget. They will need new funding in Palmer in the next budget except for the three positions requested in this budget (Occupational and Recreational Therapists and Social Worker).

Dr. Wright stated that if a program has merit, it should be funded--whether federal or state--but the Department of Health and Social Services seems to be too often designing programs for federal money rather than for the merit of the program.

Mr. Bradshaw said he agreed, but it was not his intent that the design of the Sitka facility be completed simply for recovery of federal dollars. He said that they are now asking that the Legislature not take out social services this year even if they are funded by the state and there are no federal funds.

Dr. Yankey asked if it was ever considered that these facilities be certified for Medicaid. Mr. Bradshaw stated that they spoke yesterday on this issue for an effort to be made in that direction. He added that several years ago, it seem that the requirements for coming under Medicaid were too great for the state's portion due to federal regulations (requiring a dietary department, raise in nursing staff, etc.)

Mr. Barker pointed out that the picture has changed since Intermediate Care has been enacted.

Mr. Mailer stated Medicaid would require that all Pioneer Home guests receive assistance under present regulations. There is nothing now which would make them eligible for Medicaid. Mr. Bradshaw reiterated that their present guests are not entitled to Medicaid; the state law now prohibits guests from being recipients.

In response to Dr. Yankey's question of what would happen if the facilities increased their rates, Mr. Bradshaw told the Committee that the subject has not been addressed, but full-cost-of-care payment would affect only five guests in the entire Pioneer Home system. Mr. Bradshaw said he could find out what each individual could pay for maximum care (from those who are guests in the homes at present).

Mr. Bradshaw then said that if a guest receives \$180 and has only \$20 for himself, the facility takes all money and then gives back \$35 to the individual as required by law. As written in the statutes, the individual cannot collect anything when they come into the home.

Dr. Wright then asked Mr. Bradshaw how determination of payment is made. Mr. Bradshaw stated that they take the guest's word for it. He said they are quite frequently in error and make adjustments accordingly. He then said that no one had been untruthful and had actual "hidden" money except once when the Pioneers Homes had to go to the Attorney General's Office and collect money from the estate of one man who did, in fact, have a large bank account.

Commissioner McGinnis then told the Committee that if the federal government should determine that these services do constitute a comprehensive health planning agency, then the Legislature will be approached; however, if they determine that only a small amount qualifies, then Commissioner McGinnis saw no reason for the Department of Health and Social Services to be involved with Pioneer Home administration at all. He then added that they are going to press the federal government for an answer; if the answer is negative, the department will then urge the Department of Administration to administer the program.

Rep. Haugen then asked if the Kotzebue facility is under construction. Mr. Bradshaw stated that unfortunately the House Finance Committee had received misinformation; the final report was that they will get 18 rooms and the original request had been for 14. He said that they had to make a choice between 14 and 18 rooms and therefore finally selected 18. (which meant a drop in social services areas). The cost was \$1,750,000 for both 14 and 18 rooms.

Journal:

There being no further discussion, the Committee adjourned at 5:00 p.m.

AFTER RECESS  
March 20, 1974  
Wednesday  
1:45 p.m.

Present: Committee members Meekins, Saylor, Warwick, Haugen, Ose, and Specking. Also present were: Dr. John Yankey, Legislative Consultant for Health & Social Services; Dr. Joshua Wright, Legislative Consultant for House Finance Committee; Milt Barker, House Fiscal Analyst.

From the Department of Health & Social Services: Dr. Fred McGinnis, Commissioner; Don Kemp, Public Assistance Supervisor, Assistance Payments; Roderick Betit, Food Stamp Program Manager; Ray Pagenkopf, Assistance Payments.

Acting Chairman Ernie Haugen called the meeting to order; the purpose of the meeting was consideration of the budget program category Social Services. He then turned the meeting over to Rep. Warwick.

SOCIAL  
SERVICES

Rep. Warwick asked the appropriate representatives from the Department of Health & Social Services to present an overview of their budget.

Food Stamp/Eligibility  
Mr. Don Kemp and Mr. Rod Betit told the Committee that they built their budget on a cycle of the maintenance level; it is comprised essentially of the same services as last year.

The programs handled by this BRU (Food Stamp/Eligibility) are AFDC, Old Age Assistance, Aid to the Blind, Aid to Disabled, Food Stamps, General Relief, General Relief Medical, and Medicaid. The employees are the keypoint in determining eligibility in all these programs and how much the recipients will receive.

Mr. Kemp said this BRU has no control over how many people will apply for various forms of eligibility. The federal regulations state that these forms of assistance must be offered to all eligible persons on an equal basis. Any economic change in the state which may cause a great influx of incoming people must be coped with.

Mr. Kemp stated that the time standard for processing applications (notifying the individual whether or not he or she is eligible) takes 45 days for AFDC applications, and 30 days for Food Stamp applications.

This BRU has great fiscal responsibility; it will authorize \$44 million. AFDC alone will show expenditures of \$15 million; Food Stamps will be \$14.5 million; and Aid to the Blind, one of the lowest, will show \$117,000.

Mr. Kemp stated that there are new mandates for FY 75 that this BRU must carry out, the first being implementation of verification and documentation of eligibility determination. In the past, individuals filled out a declaration-of-need form; the statement made was taken in face and questions were raised at that time if there were inconsistencies found on the application. The new process, however, consists of checking out all collateral sources and verifying all information on the application. This new process will take more time and work. Mr. Kemp added that this is a much better way of equitable distribution of the money available for AFDC.

Another new mandate is within Food Stamps for an expanded eligibility base and an increase in coupon allotments. All program activity will increase by 30%.

There are also three new programs under Medicaid.

Mr. Betit told the Committee that each district in Alaska will have two or three people handling all programs daily under Food Stamp/Eligibility. Criteria for eligibility must be reviewed periodically to see if the recipients are, in fact, still eligible.

Mr. Betit said they now have 71 Eligibility Workers in the field (including Permanent Full-Time and Part-Time and Temporary). Based on action studies, each Worker can handle 98 actions per month. Mr. Betit said that by converting some of the temporary staff to permanent and by having additional training and management, they can reduce that staff of 71 to 69 and have 6 positions for new programs--bringing the total to 75. This will allow an achievement of 117 actions per month per Worker.

When questioned about the new BRU "Quality Control and Collections", Mr. Betit stated that the field workers in that section will determine if the Eligibility Worker's decision for eligibility determination is correct. The QCC function determines the error rate for the state. Food Stamps has no fiscal sanctions tied to it--it is only a management tool; AFDC, however has fiscal sanction. Mr. Betit said there are approximately 3900 AFDC cases in the state. A minimum sample of 150 cases each month is reviewed by QCC. Whatever error rate they find is accepted as the error rate of the state. Mr. Betit said that it is reliable, but the validity is questioned because of the size of the sample taken. If the error rate is 10%, the rate can actually be higher or lower than that.

Mr. Betit said that error rates are combinations of state agency errors and client errors. The client is responsible for reporting any changes in his or her status to the agency.

There is a federal fiscal penalty of \$100,000 for six months of continued error rates. The penalty is eliminated by the difference between the tolerance level and error rates by 1/3 each 6 month period.

# **CORRECTION**

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

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There are also three new programs under Medicaid.

Mr. Betit told the Committee that each district in Alaska will have two or three people handling all programs daily under Food Stamp/Eligibility. Criteria for eligibility must be reviewed periodically to see if the recipients are, in fact, still eligible.

Mr. Betit said they now have 71 Eligibility Workers in the field (including Permanent Full-Time and Part-Time and Temporary). Based on action studies, each Worker can handle 98 actions per month. Mr. Betit said that by converting some of the temporary staff to permanent and by having additional training and management, they can reduce that staff of 71 to 69 and have 6 positions for new programs--bringing the total to 75. This will allow an achievement of 117 actions per month per Worker.

When questioned about the new BRU "Quality Control and Collections", Mr. Betit stated that the field workers in that section will determine if the Eligibility Worker's decision for eligibility determination is correct. The QCC function determines the error rate for the state. Food Stamps has no fiscal sanctions tied to it--it is only a management tool; AFDC, however has fiscal sanction. Mr. Betit said there are approximately 3900 AFDC cases in the state. A minimum sample of 150 cases each month is reviewed by QCC. Whatever error rate they find is accepted as the error rate of the state. Mr. Betit said that it is reliable, but the validity is questioned because of the size of the sample taken. If the error rate is 10%, the rate can actually be higher or lower than that.

Mr. Betit said that error rates are combinations of state agency errors and client errors. The client is responsible for reporting any changes in his or her status to the agency.

There is a federal fiscal penalty of \$100,000 for six months of continued error rates. The penalty is eliminated by the difference between the tolerance level and error rates by 1/3 each 6 month period.

Mr. Kemp then told the Committee that the last sample to determine error rates was taken from April to September, 1973; a sample is now being taken over the period January to June 30, 1974; the third period will cover July 1 through December 31, 1974. Mr. Kemp said that it will be at the time of the January to June, 1975 sample period that the first federal sanctions will apply.

Out of 18 cases reported out of the 150 sample cases, the error rate was 9.57. Mr. Kemp said he was not aware of the formula making the fiscal sanctions; he said that the sanction is a combination of four figures; 9.56 is the adjustment made using those four figures.

Rep. Warwick asked if the 9.57 error rate will fall within the limitations prescribed. Mr. Kemp stated that if they are over-payment errors, yes; if eligibility errors, then no. He added that they still had three months to go, however.

Rep. Warwick asked what efforts were being made to make sure that the error rate will decrease. Mr. Kemp told the Committee that they have made management improvements (such as the verification and documentation) and have increased their staff through Budget & Audit Revised Programs (74-133).

Dr. Wright asked Mr. Kemp to explain the difference between the verification process now being used as opposed to the prior plan used before January of this year. Mr. Kemp stated that prior to January, when someone applied for AFDC, the agency took that information on faith. They now verify all information: if the spouse is, in fact, absent from the household, the ages of the children, whether or not the children are living in the home, wages, etc. Dr. Wright pointed out that the agency was doing that prior to verification processing.

(Rep. Freeman entered the meeting at this time.)

Mr. Kemp said that under the old system, if the Eligibility Worker found anything inconsistent, that would trigger contact; they would verify the information supplied by the applicant. This system was carried out only on those applications which showed inconsistencies. Now the process requires that EVERY case be verified.

Dr. Wright asked if the Eligibility Workers now check physically (addresses, visits to the home, etc.) for all applicants. Mr. Kemp said that the Workers are making physical contact, but not in all cases.

Rep. Specking then asked for background on Food Stamp eligibility. Mr. Betit stated that federal instructions constitute the state's Food Stamp programs. The state has no leeway in any factors for determining eligibility. The income standard is set for the size of the household. The Department of Agriculture is the federal agency in charge of the Food Stamp regulations. Rep. Specking asked that the Department of Health and Social Services provide

him with a copy of the federal regulations governing Food Stamps. Mr. Betit said he would do so.

Mr. Betit then went on to explain that the eligibility process steps involve arriving at a maximum net income for the applicant. If the applicant falls at or below that amount, they are then eligible for Food Stamps.

Rep. Specking asked if the Department of Health and Social Services has any input at all in revising or requesting changes in the Department of Agriculture's Food Stamp program. Mr. Betit replied that his agency is requesting changes all the time for the State of Alaska. Rep. Specking then commented that Alaskan Natives receive certain payments; are those considered income for Food Stamp eligibility. Mr. Betit replied that currently they are considered income for eligibility. Mr. Betit said that a lump sum payment is not treated as income but as additional resources; they must review the household status at that time. If they receive payments over a period of months to liquidate the lump sum payment, they would then be eligible.

Commissioner McGinnis told the Committee that at the present time the issue of interpreting the Land Claims Settlement Act is pending before the Department of Agriculture. Health, Education, and Welfare states that the payments under the Land Claims Settlement Act do not constitute income for eligibility determination. The Department of Agriculture maintains that they are under different federal regulations and public laws. Just because HEW does not convert it as income, the Department of Agriculture may; the brief is now being prepared for the issue. Up until now, they ruled it as income.

Rep. Specking asked the Commissioner if the Department of Health and Social Services would rather that it not be included as income. Commissioner McGinnis replied no; they simply want to abide by the federal act and be able to understand what it means exactly. The Attorney General's Office says that this issue might preclude it from being considered income. Rep. Specking then said that the Department of Agriculture's view prevails. Commissioner McGinnis said that was correct.

Discussion then followed on different examples of individuals receiving Food Stamps who may not actually be eligible if proper verification were completed. Mr. Betit stated that the Workers must now verify everything for every applicant and the Workers are required to make contacts. He added that they do not have time to check each and every case but they do check through physical contact most applications. Mr. Pagenkopf told the Committee that if they were aware of individuals receiving payments or Food Stamps who were not eligible, the agency will check on those individuals.

Rep. Haugen asked if students qualify for Food Stamps. Mr. Betit replied that it is possible, if they are non-deferred. Rep. Haugen then asked if "people on the road" are eligible.

Mr. Betit replied that during the eligibility interview, the Eligibility Worker must determine if the individual is traveling or residing in the area. Federal regulations once said there was a resident requirement, but that regulation was stricken from the books.

Rep. Haugen then asked if the state can choose whether or not to participate in the Food Stamp Program. Commissioner McGinnis said that the state does have that option; the alternatives to the program must be considered, however. A commodity program will have its own set of problems, and the state can choose not to have any similar program at all.

Commissioner McGinnis stated that many people have a mistaken impression of Food Stamps. The amount of income of the individual determines how much they will pay for the coupons. The presence of food stamps with an individual does not mean they get them free; it all depends on the purchasing power.

Many people qualify for Food Stamps who will not qualify for other programs. Many people must pay a lot of money for the Food Stamps. Fourteen million dollars in food value is used to enhance the food purchasing power of Alaskans. Commissioner McGinnis said that Health & Social Services pays only for the program's administration, and not for the bonus coupon cost.

Rep. Haugen asked how much the agency will increase the amount of Food Stamp disbursement (from 1973 to 1974). Mr. Betit said that the disbursement is 900,000 to 1,000,000.

Rep. Haugen expressed his concern over individuals receiving this benefit without working at all.

Dr. Wright asked for caseload statistics for Food Stamps for January and February of this year. Mr. Betit said there is a computer problem which will prevent them from getting February statistics at this time, but the caseload for January was 6,102. He added, however, that there is no real trend established in this program.

Mr. Betit said that the agency counts as "actions" those things that would affect eligibility which would result in an adjustment. He told Dr. Wright that in January, 1974, there was an increase of 371 cases in Anchorage over December.

Dr. Wright said he was concerned over the amount of work done by each worker. Commissioner McGinnis said that a study had been done which was based on a particular unit of work per worker; the agency will provide those figures for the Committee within the next day or so.

Recess:

The meeting recessed at 3:20 p.m.