

HOUSE/SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2565

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

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

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

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

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

[Mr. Meekins arrived at this time.]

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

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

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

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

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

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

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

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

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

ADJOURN Meeting adjourned at 4:15 P.M.

After Recess
1:30 p.m.

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

ADMIN. OF
JUSTICE
ALASKA
COURT
SYSTEM

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

Supreme
Court

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

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

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

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

3/14/74

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

[Mr. Haugen came in at this time.]

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

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

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

Judicial
Districts

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

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

3/14/74

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

[Mr. Freeman left at this time.]

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

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

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

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

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

3/14/74

LABOR

After Recess

3:12 p.m.

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

Chairman Freeman called the meeting back to order at 3:12. He announced that the committee was about to take up the budget category of Public Protection, OSHA, that category chaired by Mr. Meekins, and that Mr. Meekins would lead the questioning of the witnesses. He asked Mr. Dawson, budget analyst, for his comments on the budget.

PUBLIC
PROTECTION

DEPT. OF
LABOR

Occupational
Safety and
Health Act

Mr. Dawson said that the Fiscal Year 74 appropriation was provided to OSHA in one lump sum. As FY 74 began, the appropriation was allocated to six smaller elements. Later, as the fiscal year progressed, they experienced considerable difficulty in accounting to meet federal reporting requirements. Therefore the FY 75 budget for OSHA has been reorganized into allocation levels conforming more closely to federal guidelines. He explained, however, that this makes comparisons extremely difficult.

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

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

is administered in Alaska.

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

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

Mr. Charney entered the meeting.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Adjourned

Meeting adjourned at 4:45 p.m.

LAW

HOUSE FINANCE COMMITTEE

February 5, 1974

2:35 P.M.

PRESENT

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

PUBLIC
PROTECTION

Consumer
Protection

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

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

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

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

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

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

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

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

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

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

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

There was further general discussion.

Meeting recessed at 3:30 P.M.

RECESS

HOUSE FINANCE COMMITTEE

February 18, 1974

2:20 P.M.

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

GENERAL GOVERNMENT Chairman Freeman said they were discussing the General Government category of the budget, and turned the Chair over to Mr. Saylor.

Mr. Saylor requested Mr. Peterson to begin his presentation.

DEPT.

OF LAW

Legal Services

Mr. Peterson gave a brief overview of the Legal Services BRU. He said it was characterized by civil litigation and service as opposed to the prosecution function. Particularly, civil functions consist of the fact they: represent the State in all civil actions in which the State is a party; furnish legal opinions to the Governor, legislature, and all State offices and departments; render legal advice on a law, proposed law, or proposed legislative measure upon request by the Legislature or a member of the Legislature; draft legal instruments for the State; bring, prosecute and defend all necessary and proper actions in the name of the State for the collection of revenue; prepare an annual report to the Legislature which is delivered to the Governor --it is on the works and expenditures of the Department and on needed legislation or amendments to existing laws; & will perform all duties required by law or which pertain to the office of Attorney General in a state.

Mr. Peterson said they currently have 38 attorneys located in Juneau, Fairbanks, and Anchorage. He said that at the beginning of 1973 they had approximately 3,000 cases pending, and at the end of FY 73, they had 3,300 cases pending.

The maintenance figure is \$1,979,400. The changes they are proposing in their budget is an Attorney V with a legal secretary in Anchorage to provide services to State-Operated Schools on a contractual basis. The third position is another Assistant Attorney General in Anchorage to meet post Land Claims problems. the fourth is an attorney to handle litigation and direct the Uniform Reciprocal Enforcement of Support Act Program. They request an investigator and two clerical personnel to support him. That is a total of seven new position requests, of which 3 would be attorneys.

Another addition is \$200,000 for a Natural Gas Study. The concept is largely that they will be enabled to have a highly specialized group that can concentrate on problems in a necessary amount of time.

He said there were miscellaneous items he wouldn't go into.

Under their pipeline impact budget, they are asking \$184,600, basically for five new positions--three attorneys and two secretaries. One is an attorney and secretary in Anchorage with the responsibility to work with the Alaska Transportation Commission. He explained there was currently an attorney working with the Public Utilities Commission and the Transportation Commission, but the workload is such with the pipeline development that he is unable to divide his time as he used to.

The second is an attorney in Valdez to support and handle problems there.

The third is an attorney and a legal secretary in Fairbanks to handle problems there.

He explained that attorneys only have so much time and the pipeline was bring new people and causing new litigation and problems. If they were to deal with them with the staff they have now, they would have to curtail the work they are doing on standard problems.

Mr. Haugen noted there were 38 attorneys and only 3,000 pending state-involved cases.

Mr. Peterson admitted that was about 75 cases per person, but pointed out that some of the minor cases took about 50 to 75 hours when all that was involved was paperwork.

Mr. Haugen said that for years they have been trying to get an attorney for the Department of Fish and Game, and they keep getting resistance from the Attorney General's Office.

Mr. Peterson said that Mr. Marcum from Anchorage was currently the attorney for the Fish and Game Board. He pointed out that many of the departments and agencies feel they need the services of a full time attorney.

Mr. Haugen said that even if the Legislature approved an attorney for a specific department, he still ended up working on the fourth floor of the Capitol Building. He said that Fish and Game needed somebody down there on a day to day basis to work right with the Department.

Mr. Freeman wanted to talk about the \$200,000 grant for the Natural Gas Study. I thought it was curious that the study wasn't in the Department of Natural Resources budget instead of theirs.

Mr. Peterson explained that it was a matter of who directed the study. It was to be used as a basis for writing proposed legislation.

Mr. Freeman still thought the money was misplaced if it was in the Department of Law budget. Mr. Peterson said there were legal issues involved in the study.

Mr. Barber concurred with Mr. Freeman. He had never heard of a legal office undertaking a study in the gas business.

Mr. Peterson pointed out that the Limited Entry Study was done out of their office, and the result of it was the proposed legislation on that subject.

Mr. Barber commented that this gas development study was the same thing as Hartig's bill--only Hartig contemplated having the Commissioner handling it.

Mr. Haugen referred to page 737 in the budget book, subsection 380 for Professional Fees and Services. The FY 74 authorized was \$324,200. Maintenance was \$191,600 and the request is \$192,400. He asked the reason for the difference between the 74 authorized and the 75 request.

Mr. Schroeder replied that it took into the budget the fiscal year where they had \$100,000 especially ear-marked for oil pipeline litigation. That was deducted out. Form V shows that. There was also \$50,000 for the FY 74 Limited Entry Study that is knocked off this year.

Mr. Saylor noticed that authorized positions at a level 24 were often subfilled with a 19 or 20. He realized they were probably put in at that level and then promoted later on when they had proved competent. He wondered whether they would continue that practice with the new positions they had requested.

Mr. Peterson replied it was a question of what they had to pay to get qualified people. He said they were probably going to see an exodus of good attorneys from the State government in two or three years, so to retain people, they have to pay good salaries.

Mr. Schroeder stated that in terms of specific positions, the Alaska Transportation Commission already had one attorney that was dealing with that and the Public Utilities Commission. If he stayed on with the ATC, there was a good likelihood that with that kind of leadership they could take a junior attorney and let him grow with the job. However the attorney in Valdez would be on his own and would probably be an experienced man.

Mr. Ose asked why it was so much for transportation. Mr. Schroeder explained that the State allows \$1500 on a move of a person. He said the attorney turnover was quite high. Most of the ones that come into the Department do not come from private practices in the State. The Department has recruited from outside to a large extent and has moved these people

Mr. Ose asked how many people this entailed. Mr. Schroeder replied they could move five people on \$7,400.

Mr. Ose asked why they spent \$13,500 in FY 73. Mr. Schroeder said he imagined 73 was a larger than average turnover and pointed out that they didn't spend that much in FY 74.

In answer to a question from Mr. Freeman, Mr. Schroeder explained that since the budget had originally been submitted, the Governor's Budget Review Committee had set up \$200,000 for the Gas Pipeline Study.

Mr. Saylor asked the Department whether, if the Committee decided to request them to reduce the budget by 9%, they would make that reduction.

ADJOURN Meeting adjourned at 2:50 P.M.

HOUSE FINANCE COMMITTEE

February 15, 1974

3:40 P.M.

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

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

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

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

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

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

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

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

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

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

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

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

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

[Mr. Haugen arrived at this time.]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

RECESS Meeting recessed at 4:30 P.M.

DNR

After Recess

4:10 p.m.

Present: Representatives Haugen, Warwick, Ose and Freeman were present. Also present were Dr. Fred Honsinger, State Veterinarian, Judy Crondahl and Myrt Charney from Budget and Management.

DEVELOPMENT

NATURAL
RESOURCES

Agric.

Subcommittee Chairman Haugen called the meeting back to order at 4:10 to go over the Division of Agriculture budget. He requested Dr. Honsinger to proceed with presentation of the Agriculture budget.

Dr. Honsinger began by discussing the Small Grain Incentive Program. He explained that this was originally a 7 year program, amended by adding another year, and providing incentive payments to farmers for the production of small grains. The first four years this was an \$80,000 operation and now they are phasing themselves out, according to plan: \$60,000 for this year, \$40,000 the next year, \$20,000 the next year, and then it terminates. Mr. Haugen asked if there are any bills in to extend it again and Dr. Honsinger said no.

Mr. Haugen asked Dr. Honsinger if he feels this is doing any good. Dr. Honsinger said that they have almost tripled the state's acreage in grains since the start of this program. They had the largest grain production in the history of the state this year. He noted that the state is still producing only 1/2 of its need, however. Mr. Haugen asked why and Dr. Honsinger said that there is only so much acreage. He said that there is new acreage being developed in Delta Junction.

Mr. Warwick asked of the \$60,000 in 1974, how much has been spent. Dr. Honsinger said that they are going to spend about \$40,000 because a lot of the grain this year in the Valley did not ripen so it was put up in green chop or hay. He said that their biggest bills went into Delta Junction this year.

Mr. Warwick asked how they pay the farmers. Dr. Honsinger said that they pay on the production and they dock for moisture and wheat seeds. Mr. Warwick asked how much they pay a bushel and Dr. Honsinger said that it is not a flat rate so it is very difficult to say.

Asked what the thought behind this program was, Dr. Honsinger said that it is an incentive for people to get into small grains. He said that he feels with the opening up of new lands it has more than paid its way. Mr. Warwick asked again about the cost per bushel paid by the state and Dr. Honsinger said that in the Matanuska Valley a farmer would probably get about \$17 per barrel; in Delta Junction he would probably get about \$19.80.

Mr. Warwick asked what they will give next year per bushel and Dr. Honsinger said that that will depend. They plan to put in a little more acreage this coming year. If they had gotten good production in the Matanuska Valley this year they would have been short of money so if they get good production next year plus having additional acreage, they may well run short. In this case they will have to prorate down. He noted that agriculture is always a gamble.

Going on to the Agricultural Revolving Loan Fund, Dr. Honsinger said that they presently handle a little over \$4 million in the loan fund. They handle around 300 loans a year. This pays its own way from revenue out of interest money, he said. Mr. Warwick asked how the fund is doing. Dr. Honsinger said that it is vastly improved over five years ago. Mr. Warwick requested that the committee be given a copy of the portfolio on the loans.

Mr. Warwick noted the request for another clerk typist. Dr. Honsinger said that they are requesting another 1/2 time clerk typist to pick up the workload during part of the year. He said that the workload gets pretty overbearing in Palmer. Mr. Warwick asked if they have offices other than the Palmer office and Dr. Honsinger said that they have one in Fairbanks where they have a produce and meat inspector handling some of the footwork on the loan program, and a Juneau office.

In the capital budget, Dr. Honsinger said that they are requesting a \$200,000 increase for loan monies. Mr. Warwick asked what is done with the interest off the loans. Dr. Honsinger said that first, it pays for the Administration of the loan program and the remainder goes back into the loan fund and is utilized for additional capitalization monies. Over the years this program has always operated in the black, Dr. Honsinger said. They are down around 10% delinquency which is pretty low for a loan program of this sort, Dr. Honsinger noted. This is low interest money -- 4 1/2 to 6%. They gained a little over \$100,000 this year. A little over \$4 million has come from selling real estate notes to Revenue, but there are guidelines on how much they can sell to Revenue. They can only sell to them on first security real estate. They have short term (one-year) notes and chattel and mortgage notes which they do not sell to them. The guidelines on how much to sell are so that if any of their big loans should go over 90 day delinquency and Revenue asked to be replenished, they would be able to do so. They need a cushion against such a possibility.

In response to questioning by Mr. Ose, Dr. Honsinger said that they will loan up to \$150,000 on real estate, \$100,000 on chattels, and up to \$15,000 on short term. They will also

make loans for irrigation. Mr. Warwick asked what the short term loans are and Dr. Honsinger said that they are for one year only -- like for fertilizer or emergency seed loans.

Mr. Haugen asked if they are involved with the pig farm. Dr. Honsinger said that they have one large hog operator north of Fairbanks and there is a hog farm at Delta Junction but it is primarily in grain now. The state has investments in both of them, however. Mr. Haugen asked why they have reduced their operation in Delta Junction and Dr. Honsinger said that the people are making more money in grains. Dr. Honsinger noted that the hog operator north of Fairbanks is buying much of his feed grain from Delta Junction.

Mr. Ose asked about the proposed pig ranch in the Matanuska Valley. Dr. Honsinger said that it is in the formulating stage. It is not in production.

Mr. Haugen asked about the reindeer slaughter in Nome. Dr. Honsinger said that they have put about 600 heads through it this year. It is the only inspected meat going into Fairbanks and Anchorage and is the only reason reindeer sausage is now available. The state still owns it, but has it leased out to the Reindeer Herders' Association, but unfortunately they do not have any trained personnel so the state still has to send people up to help out.

Mr. Ose said that he has heard reports from reliable sources that the reindeer herders are very negligent. Dr. Honsinger said that last year quite a bit of money was appropriated, and they're at probably the lowest number of reindeer in 40 years. One of the reasons that money was appropriated to the Dept. of Economic Development was to find out just what was being done. They have prepared a report on this and Dr. Honsinger said that he would see to it that the committee got copies. He said that most of the money that was appropriated to Economic Development ended up going to Agriculture and is being used to get regional corporations involved in the reindeer program. He said that he thinks this will be the future of the program if it is going to have any future at all.

In Aid to Fairs, Dr. Honsinger noted that the communities have to match the state money. There is some confusion about state fairs monies -- there is money in the Agriculture budget and also money in the capital budget. It is the Aid to Fairs that has to be matched. The request for FY 75 is \$104,000 which is exactly what was matched last year. In the capital budget, the Fair money is in the millions. In response to questioning

2/20/74

by Mr. Specking, Dr. Honsinger said that in the capital budget it's a bond package and direct appropriation. He noted that he met with House State Affairs a couple weeks ago on HB 477 which is on GO bonds for state fair facilities construction. Under the committee substitute for this bill instead of appropriating those capitalization funds to Natural Resources they are going to be handled by the Department of Public Works. Current requests include racetracks, heated bandstands, along with fair buildings.

The Plant Materials Center is looking toward its third year, and Dr. Honsinger said it is getting pretty well off the ground. He said that they are a couple years ahead of their schedule. They had planned to get and clear state lands, but after re-evaluation of state lands it turned out that it was cheaper to buy a small farm, already in operation, than to lease state land for 10 years, and clear the ground. They did this and so they are ahead of schedule.

Mr. Specking questioned the cost of leasing state land being more expensive than purchase of private land. Dr. Honsinger said that this was Health and Welfare land, administered through the Division of Lands. Mr. Charney said some of this was mental health land -- and somehow that related to the high cost. There was some discussion on the shortage of state land. Mr. Charney said that he tried to put more money into Cadastral Engineering so that they could go out and survey, subdivide and sell more land, but he was unsuccessful.

There was questioning about the Center. Dr. Honsinger was asked if they are getting new grass to grow, and he said yes. He was asked if the grass is being used, and he answered yes, stating that they have been approached by ALEYSKA about putting in 100 acres of Meadow Foxtail. Under Capital Improvements they have requested \$50,000 for a greenhouse. They are hopefully going to get another request together by next week and are hoping to move up their seed cleaning building by two years. They are ready to pull their seed cleaning materials together and put it into a building. This is a \$75,000 facility.

Mr. Saylor came in.

In Administration and Support, Dr. Honsinger said that they are requesting less than last year. Their request is for \$77,500. The 1/2 time clerical person picked up in the Loan Fund was originally requested in this budget. There was some confusion as to status of this request. Ms. Crondahl explained that there will be 6 months more in Agricultural Loan Program, and 6 months less in Administration and Support.

Mr. Warwick asked about the personnel costs. Ms. Crondahl explained that last year's budget did not reflect the actual cost of salaries -- and this one does. Also, Mr. Charney noted that a \$1,000

Vacancy was attached last year.

Mr. Haugen asked Dr. Honsinger if membership in the various organizations is really necessary, and Dr. Honsinger said that actually they could belong to several hundred organizations and have restricted themselves to three or four. The primary purpose of these is to keep current with what is going on in the industry. Hopefully the Director will get out to a conference at least once or twice a year for this same purpose.

Mr. Haugen asked about the Pea Farm. Dr. Honsinger said that it has been phased out. The state still has the equipment, and is trying to put together a \$2 million project in Palmer for a frozen vegetable plant.

Adjourned: Meeting adjourned at 4:50 p.m.

HOUSE FINANCE COMMITTEE

February 25, 1974

1:30 p.m.

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

NRM & ENV.
CONSERVATION

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

Dept. of
Natural
Resources

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

Land
Mgmt.

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

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

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

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

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

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

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

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

Water
Mgmt.

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

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

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

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

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

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

Cadastral
Engrng.

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

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

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

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

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

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

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

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

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

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

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

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

Geophysical
Program

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

Hard
Minerals

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

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

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

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

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

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

Fire
Protection
and
Suppression

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

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

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

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

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

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

Management
& Services
-Forest

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

Alaska
Conserva-
tion Corps

Mr. Aase explained that this is based on a federal program. This year we have a revised program which will allow 60% federal funding. The program involves training young people in the area of conservation. Mr. Charney explained that the difference between this federal program and the NYC (Neighborhood Youth Corps) is that this is designed for training youth

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

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

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

Parks &
Recreation

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

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

Commis-
sioner's
Office

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

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

Recess

The committee recessed at 3:13 p.m.

After Recess
11:00 a.m.

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

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

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

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

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

[Mr. Warwick came in.]

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

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

3/12/74

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

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

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

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

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

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

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

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

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

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

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

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

3/12/74

es n &
on .

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

Historic
reserv.

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

Admin.
& Sup.

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

Forest
Mngmnt

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

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

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

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

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

In Administration, there is no increase.

Meeting adjourned at 12:00.

3/12/74

DPs

After Recess
4:20 p.m.

PUBLIC
PROTECTION

DEPT. OF
PUBLIC
SAFETY

Division
of Fire
Safety

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Division of
Traffic
Safety

Drivers
Licensing

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

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

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

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

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

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

Suspension
Hearings

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

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

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

Project
Coord.

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

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

After Recess
1:30 p.m.

ADMIN. OF
JUSTICE

PUBLIC
SAFETY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Meeting recessed at 3:45 p.m.

After Recess
4:05

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

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

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

PUBLIC
WORKS

HOUSE FINANCE COMMITTEE
Wednesday, February 20, 1974
9:30 a.m.

Present: All members were present with the exception of the Chairman, who represented the committee on the floor, and Reps. Meekins and Ferguson. Also present from the Department of Public Works were Commissioner George Easley, Administrative Director Tracy Kaldor, Capt. Herbert J. Lockert, Director of the Division of Marine Transportation, Carl Mathisen, Deputy Director of Marine Transportation, and Doug Burton, Traffic Manager for Marine Transportation. Present, too, were Budget and Management personnel.

Vice-Chairman Haugen called the meeting to order in the absence of Chairman Freeman who left to represent the committee on the floor while the House was in session.

TRANSPORTATION

PUBLIC WORKS Mr. Haugen explained that the committee was going to do an overview of the Transportation portion of the Department of Public Works budget. He requested Commissioner Easley to give a brief statement about the budget.

Commissioner Easley said that their maintenance costs are up considerably. The Division of Aviation will accommodate additional airports built last year and the Division of Marine Transportation will accommodate two new vessels. In capital improvements, they have programmed substantial improvements to the Marine Highway system over a five year period. The Governor has introduced a bill for bonding programs for improvements in buildings statewide. Regarding contracts, he said that it is their intent to proceed on their existing contracts until competition with the Pipeline is too much and construction has to cease. Regarding the overall administration of their budget, he said that the headquarters staff remains the same. There is a 5.7% increase over last year for the administration of Public Works. Those increases are minor as compared with the overall maintenance increases.

Admin. Mr. Kaldor was asked to go through the budget with the committee. Beginning with Administration, Mr. Kaldor said that Administration furnishes support to all the operating divisions. Their budget is down this year because five positions are being transferred to the Division of Buildings. The only increases they have are minor: a couple thousand dollars in travel, a 35% increase in contractual services due to a rent increase, an increase in communications, and four or five new pieces of equipment. The overall budget decrease for Administration is \$24,000.

In response to questioning by Mr. Warwick, Mr. Kaldor said that the Division of Buildings is in the general government category

and that this came about when the budget units were set up. Administration, Marine Transportation, and Aviation were put in one category (Transportation); Building and Communications were put in another (General Government); and Waters and Harbors were put in still another category (Development); and so the Department of Public Works is divided into three categories. Mr. Kaldor noted that this was an Administration decision, and not the department's.

Mr. Meekins came in.

Mr. Warwick asked about the transfer of the 5 positions to the Division of Buildings. Mr. Kaldor said that these are the people who do the accounting for that division and so they were transferred to be closer to the Division they are working with. Mr. Easley said that some years ago the Department decided to put all accounting personnel together, thinking that that would provide some continuity. This move will put them back in closer touch with the division again. Mr. Warwick asked if they will be doing the same work and Mr. Easley said yes.

Mr. Haugen asked about the rent increase and Mr. Kaldor said that it is due to an increase in Juneau in the Sommers Building. On one floor the rent is increasing from 39¢ per square foot to 52¢ per square foot; on another floor it is going from 60¢ to 75¢; and storage is going from 10¢ to 15¢. This is an increase of over \$800 monthly.

Mr. Haugen asked if the Division of Buildings is moving into the Assembly Building, and Mr. Kaldor said yes, on the second floor.

Mr. Warwick asked about the Arthur Anderson report. Mr. Easley said that that is a paper study that was done, and they lost three positions because of it. Asked for further explanation, Mr. Easley said that the report recommended a change in the way they handle vouchers. Their new method will speed it up and take less personnel. However, Mr. Easley had considerable reservations about it.

marine
transportation

Going on to the Division of Marine Transportation, Mr. Easley said that the Marine Transportation budget as originally submitted was for \$19,556,500. This was submitted in September before the fuel costs had gone up. Their present request is for \$24,784,600 which is primarily due to these rising fuel costs.

Mr. Meekins asked about the difference in fuel costs in Seattle and in Skagway. Commissioner Easley said that in Skagway they have a contract with Standard Oil and they are paying around \$4 as opposed to \$12 in Seattle, where they have no contract. Speaking of the fuel problems we are all now being faced with, Commissioner Easley noted that it will be further complicated by the fact that the military has now laid a requirement on TESORO for 1 million barrels of oil. He said that for this

reason among others, he feels it is unrealistic to think that oil prices are going to be reduced.

Mr. Mathisen was asked to go through the Marine Transportation budget.

For Administrative Support, Mr. Mathisen said that they have asked for an inflation increase. He said that they do have some new positions in this budget -- a terminal manger in Petersburg, which is a position presently held by contract; an assistant storekeeper due to more use of the Auke Bay terminal in Juneau; and a temporary position in Skagway for 6 months of the year.

Mr. Mathisen said that there is a \$40,000 jump shown in contractual services. He said that they have new terminals this year and there are increased costs going along with those.

In Southeast Vessels, Mr. Mathisen said that the biggest increase is in Personal Services, primarily because of the COLUMBIA and LeCONTE. The Contractual Services increase reflects the age of the other vessels (10 years). The Commodities increase reflects the oil price increase. The Equipment increase is mainly due to requirements of environmental regulations, 2/3 of that being for bilgewater separators.

In response to questioning by Mr. Specking concerning the environmental regulations, Mr. Easley said that right now they are not being enforced by the Coast Guard because they do not have them themselves, but that he anticipates when they do have their boats in conformance with the regulations they will start "cracking down".

Mr. Haugen noted the high increase in wages and benefits in this section.

Mr. Haugen asked about the deadhead programs. Mr. Easley said that the current policy is not to provide crew with transportation for crew to and from their runs. It's up to them to get themselves there.

There was discussion on the condition of the older vessels in operation. Mr. Easley stated that the hulls are still quite good, and he is very pleased about that. Mr. Mathisen said that the boats engineer is getting concerned about some of the bearings. He reminded the committee that after 10 years of service, the necessity of additional maintenance is to be expected.

Speaking of the fuel increase and its impact on the ferry system, Mr. Mathisen said that fuel prices have increased 150% since

December 25.

In response to questioning by Mr. Warwick on the fuel crisis, Commissioner Easley said that because of being transportation, the Marine Highway System is high on the priority list for fuel, but said that that is no guarantee that they will have fuel if the situation worsens.

Mr. Warwick asked if the system is an efficient means of transportation and Mr. Easley said yes.

Mr. Warwick referred back to the conversation concerning the differing costs of fuel paid by the state in Seattle and Skagway, and Mr. Mathisen noted that their boat engineer has said that they may be raised in Skagway, too. The Skagway contract expires June 1.

Mr. Warwick asked why bunker oil is more expensive and Mr. Mathisen said because it is in shorter supply.

There was considerably more discussion on the fuel shortage, contracts for oil and whether they will be kept or not; the committee expressed a great deal of concern in this area.

Going on to Southeast Region Shore Facilities, Mr. Mathisen said that the largest increase in this section is in Contractual Services. A survey of the docks and pilings in Southeast has been completed and the increase will cover needed repairs and replacements. There are also three new positions.

In the Southwest Region, Vessel Operations, Mr. Mathisen said increases are due primarily to increased wages and benefits in Personal Services and increased fuel costs in Commodities. The committee expressed some amazement at the \$443,900 increase in wages and benefits and Mr. Mathisen said that that is union negotiated.

Mr. Specking asked where fuel is bought for the Southwest operations and he was answered TESORO.

In the Southwest Region, Shore Facilities, Mr. Mathisen said that the big increase is again in contractual services and it is for maintenance for the docks in the area.

Returning again to the Vessel Operations in the Southwest area, Mr. Warwick questioned the great wage and benefits increase. Mr. Easley said that as far as benefits go, they have to go right along blindly with the PMA. The vacation time has tripled, Mr. Mathisen said. This is to make ferry personnel equitable to classified personnel. After further discussion on how the

vacation time is figured for the union personnel and the classified personnel, and how they compare, Mr. Easley said that after 15 years of service, the ferry employee gets one more week than the classified.

Mr. Warwick asked about the FICA increase and Mr. Mathisen said that last year they had budgeted too low for this. After much discussion, Mr. Charney explained that this year they have done a better job of budgeting and this is reflected in the increase; it is not, in fact, such an increase. Mr. Warwick still felt that this would not make up for the increase from \$22000 to \$43000. He figured up 5.85% of all the salaries and came out with a lower figure. Mr. Charney explained, however, that FICA is not only paid on the straight salary but on penalty time, overtime, vacations, etcetera.

Speaking about the accumulated time that is built up by the engineers and such personnel as part of the PMA, Mr. Easley said that they accumulate 1/2 day for every day they spend at sea.

In response to questioning, Mr. Easley explained that in Southeast Operations, they have a two crew system. In Southwest Operations they have only one crew.

There was still more discussion on the benefits that the union people receive and the fact that the Operations budget in the S.W. is 80% personal services. Mr. Haugen expressed the fear that the public is going to tire of constantly increasing wage and benefits to greatly and that this will eventually cause some of the bond issues for the system to fail. Mr. Easley agreed, but said this is the same thing that is happening with construction. The problem is, too, if the benefits aren't increased they wouldn't have the personnel they need to operate, and it is a closed shop so they can't look outside the union.

The Aleutian Subsidy was next discussed. Mr. Haugen asked who has that subsidy now, and Mr. Mathisen said SORIANO has just bought it. He said that this goes from Seattle out to the Chain.

In Advertising Promotion, Commissioner Easley said that the Division of Marine Transportation works closely with the Tourism Division advertising program and this arrangement seems to work best.

Mr. Specking said that he seems to him in this fuel short era it is not appropriate to be advertising to bring numbers of people up to Alaska who will be consuming oil when we are already experiencing a shortage.

Turning to the capital budget, Mr. Haugen asked the Commissioner to tell the committee about their stretch-out program.

Commissioner Easley said that Marine Transportation made a request of the Department of Highways based on a recently changed law which would provide for use of federal Aid to Highways funds by ferry systems. They are asking for some of these monies and the request is currently pending before the Highway Department. They have indicated that they want to fund over a five or six year program. The first project would be lengthening of the MATANUSKA. The balance of the program has not yet been determined. Mr. Easley said that he got the distinct impression that about \$5 million out of the Highway Fund could be available. He said that the stretchout of the MATANUSKA will cost more than \$5 million but that Commissioner Campbell of the Department of Highways said that they would be able to fund the rest out of this year's appropriation.

Mr. Specking expressed concern about what will happen to roads and projects that might otherwise have been taken care of with this \$5 million.

Commissioner Easley said that when they passed the 1973 Highway Act it included \$23 million extra assistance funds for a three year program and that is the source of this money. The Highway Department is administering the money so the choice of projects is theirs. This will be about \$20 million for a three year period, or a \$60 million total. Mr. Haugen asked if this is where they are talking about getting the money to build a road to Rodman Bay. Mr. Charney said that he thought that was a part of the regular system. Mr. Easley didn't seem to know. Mr. Haugen said that this would save the ferry having to go into Sitka and he felt that this would be a better plan.

Mr. Haugen requested a rundown on increase in revenue on the MALASPINA since her stretchout. Commissioner Easley said that the MALASPINA has brought in \$1 million over any other vessel in the fleet. However, he noted that she has been on the Seattle run so the winter traffic would be heavier, anyway. Even so, however, he felt that it has proven to be extremely popular; and he feels it was one of the most successful things they have ever attempted.

Mr. Barber asked how many stretchouts have been done, and Mr. Easley said two. They have two more major ships to go.

Returning to the subject of building a road to Rodman Bay, Mr. Warwick asked what kind of estimates they have on the cost of that road. Mr. Haugen said that at one time the estimate was \$35 million but he said that he is sure now it would be \$50 million plus.

Mr. Specking felt that it would make sense to build that road and save on the ferry run.

Mr. Haugen mentioned that the new government head in British Columbia does not appear to be as concerned with cooperating with the state in the Marine Highway system as was the former one. Commissioner Easley said that formerly, most of the freight coming to the state came through Prince Rupert. As a consequence of Seattle's increased use as a port Prince Rupert is losing its advantage as a port of call. This has become more pronounced, particularly this winter.

There was again extended discussion on the benefits received by some of the ferry personnel, specifically the engineers. Working out the various benefits, Mr. Warwick figured that they work 30 days and then get off approximately 22 days. He asked about holidays, and Mr. Easley said that if they are at sea they get another day accumulated leave. Mr. Warwick asked if when the people have a great deal of accumulated leave and vacation time, if they then take extended vacations and Mr. Easley said that some of them do. There is a problem, however, inasmuch as replacements are very difficult and sometimes they cannot allow them to take these vacations. Then, if the people want to be paid in cash for that time the state must pay them.

Mr. Warwick asked about the engineers' health and welfare coverage, and Mr. Easley said that it is 100% coverage. The state makes contributions to the MEBA trustees. Benefits are the same nationwide. This is not a negotiable item.

Meeting recessed at 11:45 a.m.

HOUSE FINANCE COMMITTEE

February 20, 1974

1:35 P.M.

PRESENT

All members except Mr. Saylor & Mr. Meekins. People present from the Department of Public Works: Mr. George Easley, Commissioner, Mr. Don Statter, Director of Water & Harbors. , Mr. John Benson, Director of the Division of Buildings; Mr. Jim Fennel, Administrative Assistant in that Division; and Ms. Sharon Trimble. Budget and Management personnel were present. Mr. Joe LaRocca representing the press was also present.

DEVELOPMENT

Acting Chairman Haugen called the meeting to order. He said they would review the Water and Harbors budget. That is all Capital. He noted they had been provided with a tear sheet from the Commissioner on the projects in the Capital Budget this year because the budget book wasn't completed yet. He asked Mr. Easley to begin testimony.

PUBLIC WORKS

Waters & Harbors

Mr. Easley stated that the total budget for capital and administration was \$1,262,500. This was also the amount they estimated in receipts from the motor craft fuel tax. This is a direct General Fund appropriation. In years past the amount of the program varied widely. Three years ago it was directly related to the fuel tax and it was 3 times that much the year before. This year the Governor wanted the figures to be the same. He said that Mr. Statter would give a brief description of each of the projects.

Mr. Statter stated that the budget document showed each project in some detail with the justification. He said there was a Contingency Fund which they have maintained and spent for emergency predicaments that cropped up. As a general rule, they use most of the money on that item.

The first project on the tear sheet was Homer Harbor Facilities. It was basically associated with new moorage. The City of Homer experienced a lot of difficulty with its current electrical distribution. They intend to revamp the entire system and provide some adequate moorage.

Jokolof Bay, the next item, is going to be bid along with the Homer Harbor Facilities. It is connected to Seldovia by road. It is a convenient method of getting back and forth when the weather is severe. There is also a side that connects to a few of the charter boats. There is no specific landing there at the present time.

Mr. Warwick asked whether they didn't just get through spending a lot of money on Homer. Mr. Statter replied that every other year they spent \$100,000-\$200,000 there. It was about the same situation that worked in every harbor.

Mr. Statter said the Valdez Launching Ramp is a small project that came up later than the budget process, and the City agreed that if the State could provide them with a launching ramp, they would install the planks. He said that the present launching ramp is essentially disintegrated.

Mr. Specking asked if there was enough money there for that. Mr. Statter said there was with the City installing the planks. He added that the City Manager had come in with a request for it. They had not been aware that the situation was as serious as it was.

He said that Hydaburg, Craig, and Klawock were covered together and advertised as one project. There has been no work done in that area for several years. The Hydaburg Harbor Facilities are pre-Statehood vintage and need to be completely rebuilt. The Craig South Boat Harbor was never completely developed. They need additional moorage and a public dock. Klawock is essentially rebuilding their public dock which is in a poor state of affairs now.

Yakutat is in the same category. There have been no new developments there for almost ten years. They have a dire need for additional berthing and a grid iron. In addition they will rebuilt and upgrade existing facilities.

Mr. Haugen asked how many boats were in Yakutat. Mr. Statter replied there were probably 30 resident boats, but there were a lot of boats fishing out of there. He stressed that the most important need they had was for a grid iron.

He went on to the Hyder Harbor Facilities and said the project consisted of reconstruction of the old boat float to which the new sea plane float was attached. The boat float and the approach to it are in bad condition. He explained that part of the approach was connected to a privately owned structure. They intend to bypass that and come up with a new approach and eliminate the problem they had with the long-standing lease and the problems of having him maintain his portion. It will now be an all public facility.

The Kasilof River Facilities project is a continuation of a current project partially funded. It consists of moorage facilities, a launching ramp, and an area to accomodate the fishing fleet in the local Cook Inlet area. This is being done in conjunction with a Corps of Engineers project.

The Sec. 103 Anchorage Removal project was funded last year. This enabled them to begin, but was not enough to do the whole project.

[Mr. Saylor arrived at this time.]

Mr. Statter pointed out that every project on the list was "bare bones".

The Big Lake Navigation Improvement consists of maintaining the existing drainage channel that has filled in in a number of areas, and the installation of permanent navigation lights. They have met with the Big Lake Professionals Association in Anchorage on this.

Mr. Statter said that this project was something they had hoped to do last year, but that had gotten pushed over to this year.

Mr. Specking asked whether it was unique to get involved in projects that far inland. Mr. Statter replied it was true they didn't have as much activity in lakes and rivers, but they all pay fuel tax and are boaters.

Mr. Statter said there were three lake systems joined by three channels--and they have maintained them now for about ten years. The channels are shallow and boats go through them at a pretty fast clip and pull the sides in.

Mr. Haugen asked how much gas tax they paid. Mr. Statter didn't know, and added there was no way of getting that data from the oil companies.

Skagway doesn't have a launching ramp of any type. The one that they have proposed would terminate in the boat harbor there. The area is available, but it is relatively expensive because of the required protective fill work.

Mr. Warwick asked if the Committee could have a status of all other projects they appropriated money for. Mr. Statter had it with him, and copies were obtained for the members.

Mr. Warwick asked whether they ever lapsed any of the money. Mr. Statter said money was reallocatable between projects, although they didn't normally add new projects per se.

[Mr. Myrt Charney, from Budget & Management, arrived.]

Mr. Warwick asked what navigational aids they needed on Big Lake. Mr. Statter said it was just lights to keep people and snow mobilers from running into peoples houses. There have been serious accidents. Originally they had installed lights that were not satisfactory because they protruded onto the ice and whenever the lights went out it was impossible for people to see those huge metal pipes sticking out onto the ice. Those were taken out and the Borough installed floating lights for summer time use, but there was a real need for winter lighting.

[Mr. Meekins arrived at this time.]

Mr. Statter said that this time they planned to install a type of beacon light which would not protrude onto the ice. He said

they had inherited the project and now they have to keep it safe. They can't abandon it.

Mr. Statter went on to discuss Fort Protection which doesn't have a public harbor. Local interest requested the project. It is a small one and very worthwhile as it would provide for local need as well as transient.

The Nome Port Study is one that they feel necessary at this time because of ending bond projects and lack of information. They have to accumulate good hard data to establish accurate needs. Essentially it is a feasibility study and not an economic study.

Mr. Barber asked a question about Ship Creek. Mr. Statter said the design was completed and was going to bid in 30 days. It consists of essentially upgrading existing facilities at Ship Creek.

Mr. Ferguson referred to the 1972 \$30,000 study for the Northwest Harbors. He believed they had expended \$10,000 to do a harbor study in Kotzebue.

Mr. Statter said the study in Kotzebue had been completed and was not a negative one, however, the recommendations indicated that because of several factors--not the last of which was the lack of unanimity in local interest on what to do--that it be deferred until later years. At the present time that program is in a deferred status.

Mr. Ferguson noted that the in 73 the bond issue prepared by Public Works mentioned \$500,000 for a Kotzebue Boat Harbor. The Six Year Water and Harbor Priority List for 1975 showed \$248,000 for Kotzebue. Yet, \$20,000 of the feasibility study was not spent and he knew of no studies being done on the Northwest Harbors in any one of the areas. One of the problems he has is that the Corps of Engineers in our State Water and Harbors has had no construction above the 66th parallel since they spent \$50,000 in 1965 at Fort Yukon. Mr. Statter pointed out that Public Works had spent \$200,000 there.

Mr. Haugen asked whether the \$200,000 was General Fund money, and Mr. Statter said yes.

Mr. Ferguson asked whether any studies were being done for harbor and dock facilities in Barrow. Mr. Easley said no. He believed they were retaining a consulting engineer to do the study, and they should have received the report yesterday, but it hadn't arrived yet.

Mr. Ferguson said he saw priorities on the Six Year Water and Harbor Plan that there was no possible way of funding. Mr. Statter said that right now it was geared to the Watercraft fuel tax. All of their projects in the Six Year plan were based on their present

monies and the Dept. of Revenue's anticipated fuel tax receipts. He said they did have the 1972 Flood Control and Boat Harbor bond project which didn't show up in here.

Mr. Ferguson asked about Anchorage, Ketchikan, and Port Lions. Mr. Easley said they were bond issues tied to Corps of Engineers projects. State funds are used to develop the inner harbor facilities for all Corps projects. With Corps projects they work it so that the Corp builds the outer breakwater and the State builds all the inner harbor facilities. The \$10 million bond requires no local match, it is all state.

Mr. Warwick asked about funds for the design of a small boat harbor located on the Chena River. Mr. Easley said that nothing was done because that was taken out of the budget in the Free Conference Committee.

Mr. Warwick asked whether that meant \$100,000 for the launching ramp in Fairbanks. Mr. Statter said they spent close to \$50,000 on the launching ramp. The other \$50,000 project was never identified.

Mr. Ferguson referred back to the Kotzebue study. He said that was only \$10,000. There was still \$20,000 left. He would like to see continued study. He thought further study should be done in the area with other villages. He hated to see the money lapse.

Mr. Warwick asked what had happened to the \$50,000 for the unidentified project. Mr. Statter said it had been spread out among a half dozen projects.

GENERAL
GOVERNMENT

At this time the Committee went into discussion of the General Government Category of the Budget. Mr. Haugen turned the Chair over to Mr. Saylor, who asked Mr. Easley to give a brief overview of the major changes.

Division
of Build-
ings

Mr. Easley stated that the performance of increases in the Division of Buildings budget were generated by the tremendous expenses they have had and the number of buildings maintained in the last three years. There had been a considerable building program in 71 through 1973, and will be equally substantial in 1974.

As a result of this expense, they have requested the addition of 24 new positions. There is a substantial increase in Contractual which is basically custodial based primarily on the number of additions. Of the new positions they requested, 19 are in maintenance for the new buildings, and 5 are the transfers from the Department of Administration which they had discussed that morning.

Planning
& De-
sign

Three positions have been terminated from the Planning and Design section and three positions are again requested for maintenance.

Mr. Easley stated that Personal Services drops from \$240,500 to \$202,400, which is a result of the dropping of the three positions in the Planning and Design Section. Travel remains essentially the same. Contractual Services is slightly under FY 74 authorized. Commodities are \$100 more. Equipment shows a drop from \$1.6 to \$1.2. The total budget is about \$40,000 less than FY 74 authorized.

[Mr. Meekins left the meeting.]

Mr. Saylor asked why the three positions were cut. Mr. Easley replied they were lost because of the length of time the positions went unfilled, and it was the Governor's policy to delete such positions from the budget after so long.

Mr. Saylor asked Mr. Charney to comment. Mr. Charney couldn't say that was a standard policy of the Governor's because sometimes he allows positions to be filled on a contractual basis when they are unable to find a full-time employee. The standard practice is to ask questions about unfilled positions.

Mr. Easley said he thought they could live without the positions.

Mr. Warwick said that in the month they have been here they have spent a considerable amount of time looking at problems in various building projects. Most of the problem seems to be in Planning and Design. He asked if they were understaffed or had substantial problems in that agency.

Mr. Easley gave a brief summary of what occurred. For most of this year they have only had one staff architect and up to 100 projects. There were real problems. Since that time they have managed to fill two vacant slots. However, the one architect had a rough go of it this Spring because on all of the 100 or so projects he had direct instructions to get this work out of here before the pipeline is started.

Mr. Warwick asked how many architects there were, and Mr. Easley said three. He added that professional architects were hard to come by.

Mr. Warwick asked whether most of the architectural work was done contractually. Mr. Statter replied that all of it was. He said they needed in-staff architects to assure compliance with all State and local codes and to be in a position to assist the using agencies and get on a continuing basis to provide advice on practical changes and impractical changes.

Mr. Saylor said that they have had several of the other departments in Committee and had heard complaints about the nature in which they are billed for things by the Division of Buildings. For example, SOS says they will receive a memorandum from the Divi-

sion of Buildings one month billing them for \$300,000 for something and they never really know what that something is going to be or how the amount was arrived at or developed. They expressed a big concern. He also told them about Commissioner Campbell's concern that the Dept. of Highways had to have a maintenance building designed by an architect.

Mr. Easley explained that when a project was approved, the Division of Buildings and the agency they were working with signed a working agreement which provided for reimbursement. The agreement gave a description of the project and a top dollar limit. He said they have never charged more or less than they stated at the beginning. At the time that SOS took over the maintenance of schools, they requested the Division's assistance. SOS was billed at the direct cost. He added that when there were five or six people in SOS requesting services and signing reimbursable agreements, it was possible that it would cause confusion. He said that it was a problem in their organization rather than in the Division of Buildings.

Mr. Easley commented that Mr. Campbell was of the opinion that he didn't want an architect on a maintenance building, but would rather have an engineer. It was a matter of opinion, and Mr. Easley said that in a standard building, he thought an engineer would be fine. In the Anchorage maintenance building, the Highway Department designated men to work with the architect and see that the building was built precisely to the standards which the Commissioner had agreed to. This was done. In the Anchorage maintenance building they put in a 25 ton hoist based on their request, only to find out that the Commissioner thought a 10 ton hoist would have been fine.

Mr. Haugen asked whether they could appropriate funds for a Butler Building directly to the Department of Highways. Mr. Easley said that a year ago, they had agreed they would have no objection to that. The Division of Buildings could assist them with code compliance.

Construction Inspection

Mr. Saylor asked them to go on to the Construction Inspection BRU.

Mr. Easley said this budget showed only minimal inflationary increases. Personal Services went from \$147,000 to \$163,000; Travel went from \$2,000 to \$2,100; Contractual Services went from \$11,600 to \$8,300; Commodities went from \$1,600 to \$1,700; and Equipment went from \$4,500 to \$10,000.

Mr. Saylor asked the type of equipment, and was told automobiles from the Department of Highways.

Mr. Saylor asked why the Governor had reduced them to below maintenance. Mr. Easley said it was basically a reduction in vehicles. Construction inspection was reduced somewhat.

Mr. Warwick noted that last year they had \$4,500 for equipment and

now they were requesting \$10,000. The Governor had allowed nothing. He asked what it had been for. Mr. Benson said they had been requesting two vehicles.

Mr. Warwick asked how they were going to get along without them, and Mr. Easley said he didn't know.

Mr. Warwick said that 8 positions were listed, but the detail only showed 7. Ms. Trimble explained that one position had been dropped off in error and it was listed independently, so there were 8 positions and they were all filled.

Mr. Warwick asked whether all of the positions in the Division were filled at this time. Mr. Easley said that in Construction Inspection they were, but not in the whole Division.

Mr. Barber asked the reason for the big drop in personnel between 1973 and 1974--from 35 to 8. Mr. Easley said it was just a matter of financing. Basically it came from taking these positions out of the General Fund and putting them on the projects themselves.

Mr. Charney said the 1973 Actual column was wrong. They didn't have 35 positions for \$56,000, they had 35 positions for \$629,500.

Custodial
Ser-
vices

Mr. Saylor asked them to go on to the Custodial Services BRU.

Mr. Easley said the increase was largely a matter of the increase in the number of facilities. They have added ten additional major facilities since 1973. All of these are assumed to be in operation at least a portion of the next year--six to twelve months depending on the facility.

[Mr. Ferguson left at this time.]

Mr. Saylor said that the Anchorage and Juneau Parking facilities hadn't even broken ground yet. Mr. Easley brought out that they hadn't shown them for a full year--Anchorage was funded for 8 months and Juneau for 7 months.

Mr. Specking asked where the Juneau parking garage was going to be, and Mr. Easley said it would be adjacent to the existing facility, right next to the new office building, towards Thibideau's. The Division of Buildings has an office right in the middle of it, and there are also two houses there. The papers for acquisition were filed today.

Mr. Warwick said he was having difficulty figuring out the positions. 21 positions were listed, but when he went through he counted up 26. He wanted to know why. Ms. Trimble said that Form 11A listed the positions that were correct.

Mr. Warwick said he was looking at the IBM printout on page 1166. Ms. Trimble said the IBM printout was incorrect, but they had been instructed to put in it anyway because it was standard backup. Mr. Easley said that the printout had been updated since then and the one on page 1163 is correct.

Mr. Saylor noticed that in the Commodities category they show a jump from \$150,000 to \$414,000. He asked what accounted for such a tremendous increase. Mr. Easley said that was a reflection of custodial needs in the new buildings.

Mr. Saylor asked whether some of the buildings would be cleaned by contract. He wanted to know what they paid per square foot for contractual work as opposed to hiring their own. Mr. Easley said they had done an analysis of that a couple of years ago and found that it was cheaper by contract, and as a result they were all done by contract except for the Capitol Building in Juneau. Basically the reason they aren't on contract is that most of them are employees of many many years standing, and secondly because of the personalized service often required in this building.

Mr. Saylor asked how many custodial workers were employed in the Capital Building. Mr. Easley said he would find out for him.

[Mr. Specking left at this time.]

Mr. Warwick asked when the State Office Building would be completed, and Mr. Easley told him that May 1 was the scheduled completion date.

Mr. Warwick asked when the Court Building was to be completed, and was told it would be this Fall.

Mr. Saylor asked whether the new State Office Building would be heated by fuel oil or electricity. Mr. Easley said it would be fuel oil.

Mr. Saylor then asked if May 1 was the original completion date, and was told that it had been originally scheduled for December of 73. The reason for the postponement date has been the total unavailability of carpet. That is a problem they are facing everywhere.

Mr. Saylor asked to be supplied with information as to the original contract price for the new State Office, the number of change orders, and the final completion cost. Mr. Easley said he believed that had been furnished to him. It was discovered that the Speaker had the information, so Mr. Saylor said he would get it from him.

Mr. Haugen asked if the Committee could have a tour of the building. Mr. Easley said certainly, and Mr. Haugen said he would have the staff arrange it.

Mr. Warwick asked whether they had given any thought to heating the court building by electricity. Mr. Easley said the cost was be three times as much.

Mr. Saylor asked about the plans for a \$25 million facility for Juneau to be located near the federal building. He had heard rumors that it would be a new Capitol Building. Mr. Easley replied that they had provided an estimate for a structure of that type. The name of the structure was a regional office building. They sited it around where Thibideau's was now. The structure would be about the size of the new State Office Building.

[Mr. Meekins came back at this time.]

Mainten-
ance
Services

Mr. Saylor said they would go on to discuss Maintenance Services.

Mr. Easley said that the introduction said that increases for Maintenance Services were primarily because of the increase in the number of buildings. There was a comparable increase in contractual services for the same reason. This is the budget that required 22 additional people. He said that page 1193 of the Budget Document gave a list of additional facilities and a detailed description of the number of people required to maintain them.

Mr. Easley said they would notice that there was a substantial decrease in travel services. The reason was they were no longer maintaining State-Operated Schools. The same holds true for the substantial reduction in contractual services, equipment and commodities.

In answer to a question from Mr. Warwick, Mr. Easley said that page 1156 of the Budget Document showed the number of months anticipated for completion of each project.

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

Mr. Easley said this budget reflected the addition of five people transferred out of Administration. It is shown in Administration and Support as a substantial increase but it was actually a transfer of funds. Other than that it is a pretty straight forward budget in line with what it was last year.

At 3:20 P.M., the Committee went into a Bill session on HB #25. (See Bill Minutes.)

After Recess
1:35 p.m.

Present: All members were present with the exception of Representatives Meekins, Saylor, and Ferguson. Also present were Commissioner Easley of the Department of Public Works, Ed Granger, Director of the Division of Aviation, Jim Amos, Deputy Director of Aviation, and Mr. Neesham, Director of Airport Operations. Present, too, was Joe LaRocca.

TRANSPORTATION
PUBLIC WORKS-
AVIATION The meeting was called back to order at 1:35, with Mr. Haugen, subcommittee chairman, presiding. Mr. Haugen requested the Commissioner to proceed with the budget review.

Summary Commissioner Easley said that there are basically three components of the Division of Aviation: Anchorage International Airport, Fairbanks International Airport, and Trunk and Secondary Airports.

Major changes in those areas are as follows:

In the Anchorage International Airport budget, there are two major areas of change. One is for firefighter guards, in keeping with the FAA requirements. The other is for additional custodians due to the four additional buildings in the airport. Overall there is a less than 5% increase.

In the Fairbanks International Airport, major changes are for firefighter guards to meet federal regulations (these positions will also provide maintenance) and addition of two Auto Equipment Operators, funds for rental of snow removal equipment, and a new Auto Mechanic.

The greatest increase is in Trunk and Secondary Airports due to FAA requirements.

Anch. Int.

Security

Mr. Easley introduced Division of Aviation Director Ed Granger and asked him to explain his budget further. Mr. Granger said that the major increase in positions for the Anchorage International Airport centered around the firefighter guard positions as required by the FAA. He said that they were initially authorized 15 positions and these were to be funded under program receipts. They wish to have these established now within their budget as permanent positions. They will still secure the revenue from reimbursable for these services and they will be able to decrease positions down to 13. These positions are the major portion of the new positions being requested. The positions are already filled and there is no way that they can get out from underneath these obligations, because these are

the requirements they have to meet in order to maintain the airport or else the airport will be closed by the FAA. How the funding continues is the matter under consideration, but he emphasized that the positions are not a matter to be under consideration. The Division would prefer taking the monies out of their program receipts and making them permanent positions. They see no reduction of these requirements in sight.

Mr. Specking asked how the program receipts total out as compared with what is spent. Mr. Granger said that the CAB authorized airlines to charge 25¢ a ticket in order to offset the cost of security guards. This 25¢ has proven grossly insufficient in Alaska. Cost of maintaining these guards has been about 60¢ per ticket in some places so the state is billing the airlines for its true cost on this. (Authority is provided for the Division to do this.) The airlines are now turning to the CAB to get authorization to increase the per ticket charge over 25¢ to recoup their expenses.

Mr. Specking asked how the state stands on collections. Mr. Granger said actually they are doing very well, with one exception -- that being Alaska Airlines. Mr. Warwick asked how much they owe and Mr. Granger answered \$50 or \$60,000.

Mr. Amos said that the problem is that the FAA in the act setting up these requirements stated that airport operators could recoup their direct cost from the airlines. However, they do not control airlines -- the CAB does. The CAB on petition from three of the large airlines authorized this 25¢ coupon charge in order that the airlines would not suffer the cost. Some airlines in the country are actually making money on this -- those being airlines with large operations, large planes and full loads. Some of these have their actual cost down to 7¢ per ticket. In Alaska, however, the opposite is true -- we do not have the large planes or number of passengers. One of the recommendations that has been made is to pool the 25¢ charges all over the country and then distribute as needed. Other ideas are also being considered.

Mr. Granger noted that at all airports in the state except the two international airports, the average number of people per flight is only 5 or 6, so obviously the 25¢ charge will not cover the expense. However, regardless of what happens, the state will not be financially hurt.

Mr. Barber asked about the status of the debt Alaska Airlines owes the State of Alaska now, and Mr. Easley said that that note is down from the original \$100,000 to about \$80,000, so the situation has improved. Mr. Granger noted that ever since Commissioner Easley gave authority to the Division to file suit against the airline, they have been paying.

Field
Maintenance

Going on to Field Maintenance. Mr. Amos said that they are adding considerable additional airport parking and so they require additional maintenance. They also have additional roads. The FAA regulations require that they have two electricians at any time they are on the field in the event of an accident. Having only one man is an FAA violation. These are the reasons for the new positions. Speaking again of the electricians, Mr. Granger said that they have 7 electricians now in Anchorage, and with two men on at a time this does not quite give 24 hour shift coverage and they feel that they need it.

Four positions in Field Maintenance have been transferred to the Highway Working Capital Fund. Mr. Warwick asked why. Mr. Easley said that this is a consolidation so there is only one group of mechanics. Mr. Amos stated that they have several pieces of sophisticated fire equipment not belonging to the Highways fund, but in order to get them maintained the Division will have to contract with Highways. In response to further questioning Mr. Granger said that they will have the same number of mechanics as they had before.

Building
Maintenance

Mr. Haugen asked if the Building Maintenance budget includes custodians and Mr. Granger said no. That is a separate category.

Mr. Freeman asked why they need new maintenance men (there are two new positions in this element). Mr. Easley said that is because they have four new buildings and this is just a matter of needing new people. Mr. Freeman asked if that is the reason for the Commodities increase also and Mr. Easley said yes.

In response to questioning by Mr. Freeman, Mr. Easley said that the Anchorage International Airport Fund, which includes Anchorage and Fairbanks is now standing with approximately \$25 million in revenue bonds. Coverage of those bonds is required by law to be \$1.3 net revenue over debt service. They are now standing at \$2.64 million. Coverage is excellent. They have a \$15 million capacity. They have asked this year for an additional \$3.6 million in bonding.

Mr. Barber asked what the relative position of Anchorage and Fairbanks is as far as revenues go, and Mr. Easley said about 3 to 1. Mr. Barber asked if Fairbanks is "making it" now, and Mr. Easley said not quite, but almost.

port

Mr. Freeman asked if the Anchorage Air/ isn't subsidizing the Fairbanks Airport at this time and Mr. Granger said yes.

Mr. Warwick asked where the debt service on these bonds is. Mr. Easley said that that is a separate BRU. Mr. Warwick asked if that means these figures are minus the debt service and so

speaking of the loss at Fairbanks, in order to get the actual figure the debt service would have to be added on. Mr. Easley said yes.

Mr. Hogan asked how many firefighter guards there are in Anchorage. Mr. Easley said 82. Mr. Hogan asked if it is accurate that the budget request was for 11, and Mr. Easley said yes. Mr. Hogan said that there has been some confusion as to the numbers. A total of 19 were originally requested and that was scaled down so the budget as submitted was for 11 new firefighter guards in Anchorage and three in Fairbanks. He asked if that was correct and Mr. Easley said yes.

Mr. Barber asked what the current status of the North South runway in Anchorage is. Mr. Easley said that a hearing has been held and they are now answering all the questions that were asked at the hearing as required by law and are drafting an environmental impact statement. It will be delivered to the FAA around June. He said that he expects a motion will be made in federal court soon thereafter to enjoin and that will take several months to take care of. If all goes well, they hope to begin in October.

Custodial

In Custodial, Mr. Specking asked about the seven new positions to perform carpet maintenance. Mr. Granger said that this maintenance has been under contract with Dow Chemical, and he stated that they have been very good to work with. However, the contract is expiring and a new contract would take \$85,000, and he said that he thinks the state can handle this itself for less.

Admin.

In Administration, Mr. Freeman noted that they are requesting one new position but their personal services are up about \$38,000. He wanted to know why. Mr. Granger said that there was an Operations Officer position transferred from the Fairbanks International Airport and that accounts for \$24,000. As to the rest, Mr. Easley said that the reason is that last year the legislature did not fully fund all the positions and took a vacancy factor and so the figure given for the 1974 authorized is not reflective of their true costs. Mr. Warwick inquired further about the vacancy and turnover. Mr. Charney said that he had thought Budget Review had worked out with the Legislature an agreement through a special section of the appropriation bill in which they reserved a certain amount for vacancy and turnover. He said that Budget Review had objected to a forced vacancy; vacancy is a fair control but forced vacancy is a bad thing if a department or division is in a position of being able to fill all their positions. However, last year the Senate Finance Committee took this forced vacancy and did not fully fund positions so that in those cases where the Senate figure was adopted, the 1974 authorization is not reflective of actual costs.

At this time Commissioner Easley introduced Mr. Neil Taggart, who will be the new Commissioner of Public Works when Mr. Easley leaves.

Going on to the Fairbanks International Budget, Mr. Easley said that Fairbanks is established in the budget in much the same fashion as Anchorage.

Mr. Granger said that most of the increase in Fairbanks is in anticipation of the activity that will transpire and has already really hit because of the Pipeline. He mentioned the contracts to air carriers as far as travel to the North Slope is concerned and said that this has already upped maintenance needs.

Mr. Freeman noted that Fairbanks has not been able to pay its own way in the past, but that its future is much brighter. He asked what the situation is with regard to landing fees. He wondered if they might be upped to improve the financial status of the Airport.

Mr. Easley said that this is a real basic philosophical or political question. The real difficulty in both Anchorage and Fairbanks is that they have probably the lowest landing fee structure in the country and so because of that Anchorage has 19 international carriers which it would not have if fees were higher, more than likely. The fuel in Anchorage is cheaper than in Fairbanks, and that is probably the only reason that Fairbanks has only one international carrier. However, he noted that Fairbanks paid its own way in 1970 and he expects it to be in the black in 1974.

Joe La Rocca left about this time.

Mr. Freeman noted that as far as pipeline-related flights go, they really have to use the Fairbanks Airport. He asked Mr. Easley if he feels that even without an increase in fees the Airport will make out ok by virtue of the increased traffic, and Mr. Easley said yes.

Mr. Barber asked what effect the fuel shortage will have on Anchorage and Fairbanks International Airports. Mr. Easley said that they were nervous about revenues particularly on bond coverage, but they have found that although the number of flights is down, the revenues are up. Larger aircraft are being used.

Field Maint. Mr. Barber asked if there is any indication that they will fall short in their fuel, and Mr. Easley said that they have been able to keep pretty well supplied. However, he said that there is no guarantee that this would continue should the situation get worse.

In Field Maintenance, Mr. Granger said that the Field Maintenance positions requested here are to augment the existing force because of the increased activity in Fairbanks. They are building additional

apron space at Fairbanks which means more snow removal has to be undertaken. These positions will take care of that need as well as the increased maintenance needs brought about by the increase in North Slope traffic.

Mr. Easley mentioned in addition the heavy aircraft apron which was made in anticipation of the Pipeline.

Mr. Freeman asked again about the discrepancy in last year's authorized, and Mr. Charney said that this again is due to the misleading budgeting last year due to vacancy. It also reflects actual costs of positions. He stated that in these budgets, the personal services figures are made up of the actual people filling those positions, so there can be increases due to merit increases or decreases due to new hires at lower steps.

Mr. Freeman noted the increase in contractual services and asked why. Mr. Amos said that a good portion of that is due to the increase in Golden Valley Association Electrical rates. The rates went up 15 to 20%.

In Security, Mr. Hogan said that the Committee's records show that four new positions for Firefighter Guards were approved by RP74-12 and yet the position information from Budget and Management showed 45 authorized positions for the current year and 50 for next. Mr. Granger said that they have requested one position in addition to the four approved by RP 74-12.

In response to questioning by Mr. Warwick, Mr. Easley explained that the Firefighter Guards perform both a security function and a maintenance function.

There were no questions on Custodial.

In Administration, Mr. Granger explained that the decrease reflects the transfer of an Operations Officer to the Anchorage International Airport.

Turning next to Trunk and Secondary Airports, Comm. Easley introduced Mr. John Nesheim, Supt. of Airport Operations.

Mr. Easley said that basically the difference in this budget is in keeping with certification requirements of the FAA. They again have created operator-firefighter positions, which positions have the dual capacity of maintenance of the airport and fire and rescue. That is the basic difference, he said, along with the obvious increases due to new airports.

Mr. Granger said that in the trunk and secondary airports they have a different case. Not too many years ago they were faced

with the problem of scheduled air carriers expanding their use of higher performance aircraft into the bush areas where the airports are minimally adequate. This has resulted in a need for a great deal of additional maintenance. He mentioned the Birchwood Area, where the activity has grown so that they now need someone full-time. Last summer he said there were 80 planes there as opposed to 6 to 8 before. There are several other airports in that same position.

Mr. Haugen asked if Alaska Airlines pays a landing fee to the airport in Petersburg, and he was answered no.

Mr. Easley said that about seven years ago the question came up and air carriers recommended to the legislature to increase the fuel tax in lieu of landing fees. He said that to his knowledge, the fuel tax has not been increased since 67 or 68. He stated that municipal airports collect their own landing fees. He stated that Joe Henri, Commissioner of Administration, met with the air carriers this year on the subject of increasing the tax. However, at approximately the same time, the gas shortage occurred and so it seemed less than an opportune time to do so.

Mr. Freeman asked if the municipal airports would be more inclined to favor increasing landing fees as compared to increasing the fuel tax. Mr. Easley said that all of the municipal airports in the past two years have raised their landing fees and all the airports like Juneau, Ketchikan, Sitka and Kenai have been just about breaking even. He said that he thought they would probably be in favor of a tax increase for obvious reasons.

Maintenance &
Operations

In Maintenance and Operations, Mr. Warwick noted that the FAA regulations are being complied with in some of the airports and not in others and he wondered if the FAA is giving the state lead time to lead into this. Mr. Easley said that they have airports now on waiver with the FAA as they have provided the FAA with a schedule for development and fulfillment of requirements. He noted that FAA is a heavy contributor to most of the funds -- about 93%.

Admin.

Going on to Administration, Mr. Warwick noted that there is considerable increase and asked if this is due to the FAA requirements. Mr. Easley said that it is not necessarily due to that but relates more to the tremendous increase percentagewise in airports. The activity in airports has increased and this requires additional people to supervise and to keep track of money and supplies.

Mr. Warwick asked if they have an impact budget and Mr. Easley said yes. Mr. Warwick felt there was quite a bit in their budget that is Pipeline related, and Mr. Easley said that traffic has increased already due to the pipeline and they have to gear up to meet the need. He said that as a part of the Pipeline projects, Alaska will be constructing three new airports which they will turn over

over to the state who will then contract out to ALEYSKA for the maintenance at a token cost of \$10 per year.

Mr. Warwick asked what the purpose of this is, and Mr. Easley said so that they would be public airports and open to the public. Otherwise considerable problems could develop.

Mr. Warwick asked if the state will charge landing fees, and Mr. Granger said only at Deadhorse. Mr. Warwick asked why not at the other airports, and Mr. Granger said they would prefer increasing the fuel tax to charging a landing fee because of the complications in keeping track of those.

Admin. &
Support

In Administration and Support, under Planning, Mr. Easley said that this is basically a maintenance budget -- a 5% increase.

In General Design, Mr. Easley said that this is essentially the same as planning -- a maintenance budget. There are no personnel increases, and the overall budget shows a slight decrease.

In Engineering Support there is a slight decrease, Mr. Easley said.

Administration shows an increase of four positions, two of these having been established by Revised Program 74-15. Mr. Granger said that the third was established by "program change." He explained that what was going on here is that the capital budget increase last year there was a tremendous workload increase and so they did some reorganization within the Division of Aviation, resulting in these positions.

Meeting recessed at 3:10 p.m.

r
n-

,
lon
e

a
Radio.

rices
gone
level of
which
nt.

es.
ind

ortage,

ns
the
ng then
s.
verted;

statement
s. Mr.
business,
ound
RCA will
ion that no
FCC
King Salmon;
ordova,
Fulton
have no
e service
d that
covered

CORRECTION

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

over to the state who will then contract out to ALEYSKA for the maintenance at a token cost of \$10 per year.

Mr. Warwick asked what the purpose of this is, and Mr. Easley said so that they would be public airports and open to the public. Otherwise considerable problems could develop.

Mr. Warwick asked if the state will charge landing fees, and Mr. Granger said only at Deadhorse. Mr. Warwick asked why not at the other airports, and Mr. Granger said they would prefer increasing the fuel tax to charging a landing fee because of the complications in keeping track of those.

Admin. &
Support

In Administration and Support, under Planning, Mr. Easley said that this is basically a maintenance budget -- a 5% increase.

In General Design, Mr. Easley said that this is essentially the same as planning -- a maintenance budget. There are no personnel increases, and the overall budget shows a slight decrease.

In Engineering Support there is a slight decrease, Mr. Easley said.

Administration shows an increase of four positions, two of these having been established by Revised Program 74-15. Mr. Granger said that the third was established by "program change." He explained that what was going on here is that the capital budget increase last year there was a tremendous workload increase and so they did some reorganization within the Division of Aviation, resulting in these positions.

Meeting recessed at 3:10 p.m.

AFTER RECESS
February 28, 1974
2:00 p.m.

Present: The meeting was called back to order. Those present were Representatives Freeman, Saylor, Barber, Specking, and Ose.

Representative Freeman, Chairman, turned the meeting over to Representative Saylor, Chairman of the General Government budget subcommittee.

GENERAL
GOV'T

Mr. Mel Hoversten, Director, Division of Communications, Department of Public Works, and Mr. David Fulton, Division Deputy Director, were present to present testimony on the Communications budget.

Communi-
cations

Mr. Hoversten told the Committee that their budget was a maintenance budget. He then referred to Remote Village Radio.

Remote
Village
Radio

Rep. Saylor noted a large increase in Contractual Services (\$9.4 to \$19.4). Mr. Fulton stated that all costs have gone up, and \$19.4 is what is needed to continue the same level of service. Mr. Fulton said they contract with airlines which charter out equipment and servicemen to repair equipment.

Rep. Saylor then noted a \$5,000 increase in Commodities. Mr. Fulton explained that transmitter tubes on side-band radios went up 73% in cost last year alone. Other commodities have increased 24%. Mr. Fulton added that electronic parts are becoming scarce due to the fuel shortage, and therefore, prices are going up drastically.

Rep. Specking asked Mr. Fulton how many remote stations there were in the state. Mr. Fulton replied that at the last count, there were approximately 60. Rep. Specking then asked if they had been converted to single-side-bands. Mr. Fulton said that almost all of them had been converted; 8 must still be converted and will cost \$2,000 each.

Rep. Specking then stated that he had heard a "firm" statement that RCA wants out of the business with some stations. Mr. Hoversten stated that RCA did want to get out of the business, but cannot. Mr. Fulton stated that this happened around Sunrise. It was learned that if the FCC approves, RCA will discontinue stations, but they promised the commission that no one would be without communications. The Anchorage FCC approved discontinuation of Unalaska, Kotzebue and King Salmon; plans had been made to discontinue the station at Cordova, but the station could not make the conversion. Mr. Fulton said that Hope, when service is discontinued, will have no one to work in Anchorage; RCA will have to give Hope service if no one else picks up the service. He then added that Bristol Bay service that is discontinued would be covered from Cold Bay or Kodiak.

Rep. Specking stated that the level of service that RCA must furnish should be defined somewhere in the contract. Mr. Hoversten said they did not have a contract with RCA; RCA however, may have a contract with the Public Utilities Commission. Rep. Specking then said that in most remote areas, RCA does not provide adequate monitoring service.

Teletype

Mr. Fulton said that Communications had gone in with the Department of Administration to upgrade the teletype system. A study has been made, and they are now planning to put it into operation. Part of the increase in Contractual Services goes toward the Communications' portion of the upgrading.

Rep. Specking asked why the division had requested a Teletype Operator for Fairbanks. Mr. Fulton said that there was an understanding to furnish the Teletype Operator there on a long range plan that went along with the Department of Administration's study. Mr. Fulton said they are now switching to a lower density system. Mr. Hoversten said they will need \$26,000 anyway to cover a higher speed system. The increase is also due to the fact that the PUC turned over an area to Copper Valley Telephone from RCA. Copper Valley Telephone is charging more for the lease of circuits.

Support
to
State
Agencies

Mr. Fulton said that they were requesting one Communications Engineer for Anchorage and three Electronic Technicians for Juneau, Anchorage, and Fairbanks. Another Electronic Technician had been approved through Revised Program Request No. 74-13, to cover airport communications; the division is now picking up that position.

Mr. Fulton explained that the Juneau technician will help on the Marine Highway system. He said there is quite a problem with the ferries in that they are in port for such a short time; this means the technician must ride with the ferry; this results in one man being taken from the Juneau shop.

The Anchorage technician will help on the large percentage of equipment there.

Rep. Saylor noted that there was an increase in Contractual Services. Mr. Fulton said that there were several charters for helicopters, and contracting of vehicles needed for the operation. Mr. Hoversten said the division now does not have any money to rent even a vehicle from the Department of Highways.

Regarding the increase under Commodities, Mr. Hoversten said there was an increase in all prices. He then informed the Committee that the Department of Highways had purchased from the State of California (at the time of Alaska's statehood) communications equipment that was in very poor condition. Now there is a problem of obtaining parts; the units are all too old and there is a high cost of repair. Mr. Fulton said they will need more technicians if they keep this equipment.

Rep. Specking stated that he thought there was a federal deadline for the conversion of stations. Mr. Fulton replied that the deadline was 1977. Mr. Hoversten said that some stations should be covered now.

He then informed the Committee of the danger of malfunctioning communications equipment: If, for example, one of the vessels under Marine Transportation sails with improper functioning equipment, and the malfunction is learned about, the state is subject to a \$500/day fine. If an accident occurs to the vessel, the state is wide open for litigation.

Recess: There being no further questions or discussion, the Committee recessed at 2:45 p.m.

REV