

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2574

Mr. Guy asked what Land Management is, and Mr. Aase said that the Land Management BRU is a portion of the Division of Lands, which is the division under which Water Management, Administration/Land and Water, Cadastral Engineering, as well as Land Management are located. Under Land Management are sub-programs of Mineral Leasing, and the Central Office and districts. They have all the general land management functions -- mineral leasing, oil sales and disposal of lands.

Land
Management

Mr. Guy asked if this program does anything about erosion. He stated that this is a real problem around many communities. Mr. Fackler said that the closest they would come would be in a farming community where they are involved in soil protection.

Mr. Nelson asked where a community who had an erosion problem would go for assistance. Mr. Fackler said that he would imagine they would go to Public Works.

Mr. Nelson asked what the Conservation Action Corps is. Mr. Fackler said that it is a matching state-federal program similar to the CCC. Under this program young people, ages 15 to 18, do various projects during the summer. Part of the time is also devoted to environmental education. Mr. Aase said that there is a six-week maximum participation and that this is only for a specific age group. The idea is to create awareness of the out-of-doors. The federal government calls this the Youth Conservation Corps. The match is supposed to be 80-20, but it has never been fully funded. Last year it was 50-50 and that reduced the program considerably.

Conservation
Action
Corps

He said that he did not know what kind of funding they will get for this year, and they are slow making their plans because of that, since the program will depend on what Congress does.

Mr. Naughton noted a \$100,000 increase in Administration under Hard Minerals. He asked the reason for that.

Hard
Minerals
Admin.

Mr. Fackler said that they had a reorganization under revised program which added three positions. The remainder is an increase in office rent at the University.

Mr. Naughton asked what the function of that component is. Mr. Fackler said that it is basically to inventory the state's natural resources.

Going on to Parks, Mr. Naughton noted that the Park

Development budget had almost doubled, and he asked if this included acquisitions.

Parks
Park
Development

Mr. Fackler said that that there is one new position, that of a Park Planner III. The bulk of the increase is increased construction and maintenance.

Mr. Naughton asked if there has been a significant enough increase in the Parks component that they will be able to maintain the parks that they have had already.

Mr. Fackler said that they hope to in this budget. They had almost a 100% increase this year in visitations. He added that some of the monies will be used for construction of other facilities within the parks.

Mr. Gruening noted the \$140,800 personal services actual figure for 1974, and the \$51,900 personal services Governor's request for 1976 and he wondered about the big difference.

[Mr. Duncan re-entered the meeting.]

Mr. Aase said that looking at the funding for 1974, \$137,900 is in Inter-Agency Receipts. He said that he thought that this possibly came from the PEP (Public Employment Program) funds through the Department of Labor (that program is now under the Office of the Governor). This would have been funding for the salaries of CETA and EEA employees. Basically these are training-type programs in communities where levels of unemployment are quite high. The idea is for people to get training in the various agencies; then they are hired in regular positions as positions become vacant.

Mr. Gruening asked for an idea of what this money was spent on, and Mr. Aase said that it was all spent on personal services and benefits.

Mr. Dawson explained that under PEP the State of Alaska got three separate grants. One went to Anchorage and two went to the state. One of these two went to state agencies and the other was passed on to local communities. The money in the 1974 budget reflects some of the state portion. The money came into the Office of the Governor and they let the various state agencies know that this money was available to hire people at lower ranges. The money was spread throughout the state. There were specific limitations on the jobs. They could not exceed \$1,000 a month for salary and benefits. Mr. Dawson said that this component was probably the focal point for the Department of Natural

Resources to pick up these lower paid people. Positions were primarily in Parks and State Forestry.

Mr. Gruening asked for a rundown on who was employed.

Mr. Gruening asked why these positions were not included in this years budget. Mr. Aase said that they had no way to forecast whether the program was even going to continue or not. All that money came in the form of RP's.

Mr. Naughton pointed up some discrepancy's in the funding figures for the programs, and Mr. Dawson said that he would go back and check this out.

In response to questioning by Mr. Grogan, Mr. Dawson said that PEP program people were never shown as positions in the budget.

In response to comment by Mr. Haugen, Mr. Dawson said that apprently the PEP program technically does not exist any more. The program CETA has been merged with the WIN program.

Meeting recessed at 4:30 p.m.

RECESS

AFTER RECESS
4:35 p.m.

Chairman Malone called the meeting back to order. The Committee now began examination of Environmental Conservation under the Natural Resources Category.

ENVIRONMENTAL
CONSERVATION

Mr. Eagle said that the problem the reorganization is going to cause is in tracking down a program from 1974 to 1975 and through 1976. Under the previous organization, there were a lot of things at the the start of the department that seemed sensible, but that after a while showed themselves not to be. (There were directors without clerical support, for instance.) They tried to design what they felt was a more effective program, and they reduced the budget in some areas. He said that they felt their budget request reflected what they thought was a more effective budget for less money. He said that when changing programs and moving positions from one place to another, they have tried to indicate where they came from.

Mr. Malone suggested that Mr. Eagle go through the budget, division by division, covering functions and program changes.

In Administration and Support, under Technical Services, Mr. Eagle said that they have combined laboratory services. The concept here is to have a pool of talent, and so under this program are cartography, laboratory support, systems analysis, statistical data reduction, and someone in charge.

Admin & Support

Technical Services

Mr. Eagle said that Management Services provides administrative support and includes the public information function. It includes a central library system, filing, and everything else that isn't in Technical Services.

Management Services

Moving on to Program Coordination, Mr. Eagle said that they are required by statute to do the Alaska Environmental Plan. This is where the "environmental planning types" are located. Mr. Eagle said that they don't know what the other departments are doing, and hope through this program to coordinate this department's activities with those of other agencies.

Program Coordination

Estuarine and Inland Waters have been combined and in the Water Programs. (Coastal Zone Management has been deleted and the positions transferred to other programs, including some to Water Programs). This program has the authority for Water Pollution Control, which is pretty much tied to the Environmental Protection Agency; Village Safe Water Act function, which is authorized by statute; Construction Grants Program, which is a joint federal and state program in which the state provides a certain percentage for treatment plants.

Water Programs

Mr. Eagle said that the Terrestrial Programs include resolution of environmental problems in solid waste management, air pollution, geologic problems, plant and animal ecology, and pesticides, and land surface modification.

Terrestrial Programs

Mr. Malone asked about Coastal Zone Management, and Mr. Eagle said that it is now located in the Office of the Governor, under the General Government Category (the management portion).

Mr. Malone wanted to know if there was some way of getting somewhat of a program budget picture of what is involved in coastal zone management in the state.

Mr. Dawson said that the central control of the program will be from the Division of Policy Development and Planning. However, the money will be allocated through that division to the other agencies. There was question about how the program would be run, and Mr. Haugen suggested having Mr. Weeden appear before the committee.

Mr. Malone expressed his desire for comparative reasons of having some kind of budget made up from the different agencies involved for Coastal Zone Management. Mr. Haugen mentioned that he thinks there is some duplication of effort going on.

Mr. Eagle said that he does not feel that there is duplication of effort here. There are differing functions performed by all the agencies although they are, in some cases, related.

Ms. Itta referred to the budget under Pipeline Impact and specifically Pipeline Monitoring. She asked Mr. Eagle where they intend that operation to go. Mr. Eagle said that in the Indirect Pipeline Impact budget there will be positions established in Fairbanks, Anchorage, and Valdez. Under Direct Pipeline Impact there will be positions out of Fairbanks and Valez. There will be Pipeline Liaison in Juneau and Anchorage.

Pipeline
Impact
(Indirect)
Monitoring

Ms. Itta asked if these people have been working along with Alyeska. Mr. Eagle said that there are two parts to this. Direct impact deals with construction camps, sewage disposal, directly on the pipeline and contiguous to it. Here there is direct association. In Fairbanks, Anchorage and Valdez, there is quite a development of subdivisions springing up, sewage problems, etcetera. Environmental problems here are caused by an influx of people. However, he said that that couldn't be directly attributed to the Pipeline or added as part of its cost although there is no doubt that the communities are in fact impacted because of the Pipeline.

Mr. Anderson noted, in discussing indirect impact, that in rural areas the communities are not having access to materials, and for those materials they can get, price and freight is going up. This he sees as a definite impact of the Pipeline. In addition, airlines are now using their best equipment on the slope and those aircraft serving these rural areas are older and perhaps poorer quality. This, too, is an impact of the Pipeline.

Mr. Dawson said that what is being addressed here is the effect in terms of program workload as that relates to the state agencies. There is a problem with the Pipeline Impact because it is affecting the entire state. There is an arbitrary distinction that has to be made as to what constitutes impact --- although he said that there is no doubt that the Pipeline is affecting virtually everything in the state.

Ms. Itta asked what kind of working relationship exists between the Pipeline Monitoring and Indirect Impact and

other components in the Natural Resources category like the Pipeline Surveillance program.

Mr. Eagle said that that the supervisor of that program was on loan to Environmental Conservation and helped set up these programs. He was originally from that department and they try to work together although occasionally there are differences.

Ms. Itta asked about the authority for the Pipeline Monitoring System. Mr. Eagle said that it derives its authority from the Right of Way Leasing Act and is responsible for monitoring construction in accordance with that. The authority of the State Pipeline Coordinator includes shutting down the Pipeline. The authority of the Monitoring program carries with it a number of both criminal and civil fines. It is really not duplication -- the responsibilities and authorities are different.

Mr. Grogan inquired about different pipeline monitoring agencies in terms of who grants what sort of permit. Mr. Eagle said that in general terms, Mr. Champion grants notices to proceed but Environmental Conservation has to have permits out in order for them to receive (the deputy commissioner does this).

Reverting to Water Programs, Mr. Guy was concerned that the monies funded for water and sewer were insufficient given the volume of construction going on and anticipated. Mr. Eagle said that there is a \$4 million bond fund that is established and it has been used and six or seven facilities have been built. They have been cooperating with SOS in this endeavor. There are bond funds behind this program. This is only the operating part. He said that there is \$1 million in general fund. This is being rapidly used up. They did an issue analysis on what should be done with the Village Safe Water and he recommended that interested committee members read that. Among the problems is lack information between Public Works, Environmental Conservation, and SOS. This led to authorization of three positions to get an idea of what is needed, and to provide for better cooperation and coordination.

Water
Programs

Mr. Dawson said that one of the problems here was that SOS people were building schools and putting in water and sewer for the schools, and then Environmental Conservation was coming in and putting in water and sewer for the schools. This is why they feel putting more effort into coordination is so important. There is \$1 million general fund in the capital budget for FY 76 so that the program can continue until another year when they can get another bond proposal through.

Mr. Malone asked about the Air Quality programs under Terrestrial Programs. He said that recently there seems to be an increasing problem with air pollution in Anchorage and Fairbanks, and he wondered more about the programs.

Terrestrial
Programs

Mr. Eagle said that they are in court right now with the federal government and are doing what they can to alleviate the situation, short of shutting down the central district of the towns to automobile traffic.

Mr. Anderson, referring to the Village Safe Water Program, asked how many engineers there are who travel out into the villages. Mr. Eagle said that the main person is out all the time. Mr. Anderson asked what he does and Mr. Eagle said that primarily he coordinates planning and building of these facilities. Mr. Anderson noted that there are something like 185 - 200 villages and he thought one person hardly sufficient to cover that. Mr. Eagle said that he was not saying that there was just one person. He just said that that person is always traveling. They have additional persons now, as a result of the issue analysis that was done, who also travel.

Water
Programs

There was some further discussion on the Village Safe Water Act, Mr. Guy expressing his concern that the villages are historically the "experimental locations" for programs. Mr. Eagle assured him that they are not experimenting with different types of structures here, but are just trying different approaches to get them built.

Ms. Itta, referring to the seventh objective listed for Water Programs, reading "Commence a detailed inventory of sanitation facilities in rural Alaska to more clearly define State-wide needs for future Village Safe Water facilities.", requested that she receive a copy of that inventory when it is completed.

There being no further questions for Mr. Eagle at this time, the Chairman briefly discussed scheduling. The meeting adjourned at 5:30 p.m.

ADJOURNED

(Committee went into budget hearing at this time. Rest of 3/3 a.m. minutes are in bill book.)

Chairman Malone asked staff member Grogan to review portions of the budget for the Department of Environmental Conservation. The Chairman and the Committee did not understand the testimony given the day before. Also the Committee may want to ask other questions, review DEC budget, Natural Resources, Public Safety, and Services of Government. He would like to know exactly what is planned on Coastal Zone Management, he sees no budget for it any place. Mr. Dawson was asked for this.

NATURAL
RESOURCES
ENVIRONMTL
CONSERVATIC

Chairman Malone announced that at 11 a.m. there would be a subcommittee meeting.

Bob Grogan stated that the Committee would be hearing from Fred Woldstad this afternoon and he would leave it up to him to give the details on Public Safety Enforcement. Chairman Malone inquired if he was an administrative officer or someone who knew about the program. Bob Grogan answered that he pretty much manages the flow of paper.

Senator Haugen pointed out that the Committee would never get to the heart of the programs this way. In this particular budget there are three commissioners involved: Fish & Game, Environmental Protection, and Natural Resources. We need them over here; this is not in Weeden's area. The budget is cheaper now than it has been in last four years. If you try to pull everything together there would be duplications. A lot of money in this budget is Alyeska money, its going to be charged against the pipeline. We should get them all together here in a group and nail them to the wall on what we are going to be stuck with. We still have two years. They are going after Alyeska for everything. This could turn out to be \$25 million. If that goes out of revenue in 1978, we are going to have problems.

Pipeline
Surveill.

Representative Cowper stated that he was advised by Alyeska that they will in fact attempt to incorporate expenditures for Champion into rate base for the pipeline tariff. Whether or not ICC accepts this no one knows, they are going to try.

Representative Haugen stated he thought they feel they are on solid ground in the politics of it. Miller made concessions in order to make the pipeline go. The State was to reimburse Alyeska for expenditures. The previous Administration had made the same concessions.

Representative Haugen further mentioned that every time Fish and Game wants to put someone on the pipeline Alyeska says they will be. We ought to know if there will be a severance tax.

Steve Cowper indicated it was important to have our own people on pipeline surveillance, yet it is necessary nothing should be taken out of either the Alaska tax bill or that Alaska and the general public foots the bill. He suspects it is better to have people in the field and to charge it back in tariff in existance. The State would pay back say 27%-30% rather than paying the whole deal.

Chairman Malone mentioned that the percentage is sometimes given as high as 40%. There should be a preliminary investigation in this area by the Budget and Audit Committee.

Nels Anderson questioned how much attention was being paid to the pipeline corridor and the amount of money being put into enforcement officials going up to inspect. We have continually heard that the enforcement laws on the books are not being enforced adequately because fish and game resources there are not behaving as they should be. There is no management because they cannot enforce. The money is being budgeted along the pipeline corridor at the expense of enforcing Alaska's other laws.

Staff member Grogan brought up Public Safety. On the second page index summary growth rates in existence have substantial growth, particularly in enforcement. You will be hearing more in detail on this.

3/3/75

Mr. Grogen said it was felt the whole category is a priority item, particularly the pipeline monitoring; they also feel it is mandatory that the protection section of public safety be doubled. The Chairman noted a 70% increase, with \$750,000 in revisions. Mr. Grogen pointed out that last year \$172,000 was authorized, this year \$114,000.

NATURAL
RESOURCES

Mr. Haugen asked if the revenues were provided by Alyeska; and was told that the pipeline enforcement is all General Fund. Mr. Haugen thought this was duplication of effort. Mr. Smith also felt the functions of each agency were confusing: the pipeline surveillance; the enforcement; and the environmental conservation. Mr. Anderson stated that there was not enough enforcement for the pipeline; that other areas adjacent to the corridor still have problems. There are a lot of resources that will not be adequately protected.

pipeline
Surveill.

Mr. Grogen told the Committee that in terms of just the dollars there wasn't nearly the effort on the pipeline at \$114,000, as State wide at \$3 million dollars.

Mr. Cowper asked why there was a separate budget item for pipeline enforcement, and was told that when the pipeline budget was created everything was held separate; it was appropriated separately. The purpose of breaking out separate items is to show relative costs. Mr. Gruening mentioned that the pipeline monitoring was paid for by Alyeska, and they wouldn't want to spend it elsewhere. Ms. Itta inquired if other categories were reimbursed by Alyeska besides pipeline monitoring, and what agreement there was with the State for getting reimbursed. Mr. Grogen told her that most of it was part of the right of way leasing; some was handled on a straight contractual basis.

The Chairman commented that the enforcement budget last year authorized level was \$1.8 million; it was increased to \$1.2 million--he assumed they added positions through revised programs or something, and doesn't know where the money came from--now they have eight more positions requested in the FY 76 budget. Mr. Grogen pointed out that most of the increase was in salaries; that it was difficult to trace the positions in this agency and has been for years. There was further discussion over the adding of positions in this agency with the Chairman pointing out that they had 62 full time positions; last year the budget showed 75 authorized; now they want 8 positions to bring them up to 69. Mr. Haugen remarked that the positions are approved but not filled and they "squirrel" away the money. Mr. Anderson said it looked like provision had been made for an adequate program but it was not happening. Mr. Grogen will find out what the 13 additional positions shown from last year are; he was sure they were transfers. Chairman Malone was interested to know where they drain off to.

Mr. Grogen then covered the Fish and Game Licensing under The Department of Revenue, page 2, commenting on the problem of checking the residency requirement in the State. He answered Ms. Itta's question, saying that the Department of Revenue's budget will be in the Natural Resources category.

Fish-Game
License.

He said further that Environmental Conservation, under Al Eagle's direction was having quite a few problems with a lot of small divisions in the department. Some of the positions have been vacant for two years--have never been filled since the Legislature authorized them. Some functions will be deleted, others shifted, and the organization will make more sense; it will be easier to work with in terms of budgeting. An organizational flow chart will show where people and dollars are going and their functions.

ENVIRON.
CONSERVAT.

The Chairman asked for a narrative summary of what they think they are doing; and was told by Mr. Grogan, that he suspected there had not been much going on. With positions not filled, they could not have been doing anything. He suggested looking at those vacancies carefully.

Chairman Malone commented that it was hard to compare budgets unless you know what they had been doing in the mean time; what they had done since the last time the Legislature looked at the budget. Mr. Grogan told them that data processing can compare the vacancies. He said the money should lapse if the vacancy is not filled. Mr. Haugen remarked that they have sixty days at the end of the year to reincumber the funds; they fund a lot of temporaries out of the money.

In the Water Programs, particularly Village Safe Water, the Chairman felt it meant nothing without a comparison with the Capital budget. Mr. Haugen recalled that they had \$3 million appropriated about three years ago; it was supposed to be for the villages, but was thrown into the 1970 or 1972 S.O.S. project because of E.I.S. requirements. Max Brewer had to go straighten it out. Mr. Grogan paraphrased the Analytic Statement (form 2) from the red book; the balance of the construction bond fund is \$800,000. It was commented that if this analytic statement was accurate, it is alarming--referring to the lack of, or inadequacy of facilities in the villages.

Village
Safe Water

(Mr. Cowper re-entered the meeting).

Providing the money for the improvement, but not for maintenance is a waste of money, and more dangerous than no system. It is estimated at \$450,000 per village but in fact it's over \$600,000 unless they get a better handle on costs. Mr. Haugen remarked that these were the ones associated with S.O.S. and the big cost overruns last year.

It was noted that there were a lot of big increases in personnel, but that the money for Safe Water in the villages was a higher priority than increased numbers of people.

Mr. Smith made several remarks on the Land Use Planning; a substantial number of positions requested; page 105 shows 2 out of nine positions. The funds for the other seven are being used for matching. Coastal Zone Management page 213, has been cancelled, and positions transferred. He thought the subcommittee would be very interested in these positions.

land Use
Planning

Coastal
Zone Mgmt

Mr. Grogan told the Chairman, that the Coastal Zone Management

program budget is in General Government; \$450,000 will be allocated to DEC which can be tied into existing positions; \$750,000 is still pending. He pointed out to the Chairman that provisions for increased funding in this area look good.

Coastal
Zone Mgmt

The Chairman felt the Committee should find out what they are doing, where they are going, so a better judgement of the program could be made. If they are planning, how will they implement their plans; or are they only going to plan, and if so the Committee should find out more about it.

Mr. Grogan reported that some of the HUD monies for planning and research are being cut up now. Policy Development and Planning will be putting some of the Coastal Zone money in place of the HUD money; they are doing this in cases where they can get away with it. Mr. Smith said that Development was under discussion in the Resources subcommittee; Chairman Malone said Mr. Weiden would appear before the full committee to present his budget.

Under the Office of the Governor, Mr. Grogan said that the Limited Entry Commission generates the most interest and spends the most money; they have an increase of over 16%. Mr. Haugen asked how much revenue the Commission generated; that they were supposed to fund the program, and requested the information.

OFFICE OF
GOVERNOR

Limited
Entry

The State Pipeline Surveillance, provided for in the right of way Act in the Office of the Governor, shows a substantial increase which is funded by Alyeska. Chairman Malone asked what was done with the people in Mr. Champion's Office; that 33 people were listed; and did any of this appear in last year's budget. Mr. Grogan told him that some was requested in last year's Legislature but most was actually created by revised program. The \$330,000 increase in professional contracts, which is double is for services not available through the existing staff, in other words for consultants. The Chairman wanted to find out what those people were doing. The increase in travel budget was pointed out.

St. Pipeline
Surveill.

Mr. Grogan felt that the justifications for the increases in travel and contractual services was not very thorough. This is the first time a committee has been concerned; and he is not at all certain that it could not be reduced.

Chairman Malone commented that this office was created by the administration then filled with revised programs; last year \$1.2 million was authorized; they requested over \$2.0 million for FY 76; next year it would be probably \$4 million. Mr. Haugen suggested they ask for all the revised programs.

Ms. Itta noted that apparently the pipeline surveillance staff has a lot of field travel. It was commented that the rate was not questionable, just whether or not they needed to do it.

The Chairman announced that Mike Whitehead of Public Safety would be at the committee meeting after the session this afternoon.

Mr. Cowper reported on the progress of the Revenue Sources Subcommittee activities:

Revenue
Sources
Subcom.

He and Rep. Haugen met with Charlie Elder from Alyeska, and had requested that Alyeska furnish the Committee with information on a current ongoing basis on actual expenditures on the pipeline, suggesting a report every 30 days or so. The response at that time was "None of your ---- business." Mr. Cowper had informed Mr. Bradner and told him the information was needed. Mr. Bradner has the power to issue a subpoena, and has agreed to back the Committee. In accordance with that he informed Norman Gorsuch, lobbyist for Alyeska Pipeline Service Company that the Committee would issue a subpoena for the information, and require then to appear here with it. Mr. Gorsuch said he was sure he could get the information, but it would take a week or so--he has not contacted the subcommittee since then.

Alyeska
proposed
Subpoena

Mr. Cowper said he would like to go to Gorsuch and tell him, he has a deadline of Friday or Monday and if he doesn't meet it, a subpoena would be issued.

Mr. Cowper said he would like to move that the House Finance Committee authorize him to give Alyeska a deadline of Friday to reply to the inquiry.

During the following discussion, Chairman Malone reported that in the investigation of this, it was found that there is no one in the State or who works for the State who knows what the pipeline is costing; this is absurd when the tariff will be related and revenues depend on this.

Mr. Cowper moved that unless this Committee has the Peat-Marwick report in hand by Friday, the subpoena will be issued.

MOTION

There was no objection and it was so ordered.

Motion Carried

Mr. Duncan suggested we send a formal letter, and Mr. Cowper said this had been done; a letter was sent to Mr. Champion that he obtain this information about the costs of each incremental dollar. His reply was "I am in receipt of your letter..."

Mr. Haugen suggested that this be held in executive session since some of the consortium might be reluctant to give out information.

The meeting was adjourned at 10:58 a.m.

ADJOURN

HOUSE FINANCE COMMITTEE

Monday, March 3, 1975

3:02 p.m.

Vice-Chairwoman Buchholdt opened the meeting; Mr. Malone arrived later. All members were present except Mr. Gruening; Messrs. Cowper and Duncan arrived later. Also present were Roy Rickey, Chairman of the Commercial Fishery Entry Commission; Al Eagle, Administrative Director and John Scribner, Director of Water Programs from the Department of Environmental Conservation; Alan Adasiak, Executive Director of the Limited Entry Commission; Fred Woldstad, Deputy Director of Fish and Wildlife Protection Division, Public Safety; and staff.

PRESENT

NATURAL
RESOURCES

Protection

Mr. Woldstad said that his Division was in five individual components: Aircraft, Director's Office, Enforcement, Pipeline, and Vessels.

The Aircraft Section includes one additional mechanic position and the cost increases are fuel and parts and maintenance for aircraft rebuild.

Aircraft

The Director's Office has increases in personal services, substantial money devoted to ASHA building in Anchorage which had not been budgeted for in that particular area.

Director's
Office

Enforcement budget includes seven positions; four field officers, three aid positions to deal with program information and data the public demands. It also includes large inflationary costs in personnel and charter vessels. It is hoped that they will have sufficient vessels and the charter costs can be reduced at the end of the year.

Enforce-
ment

The Pipeline Enforcement shows a decrease because of one-time expenditures for equipment.

Pipeline
Enforcemnt

The Vessels Section is primarily salaries for nine positions and fuel costs for two 65' vessels that will be available for service mid-June. Ms. Buchholdt asked him about the varying figures shown for permanent full-time employees pointing out the 75 positions authorized for last year; the 62 employed this year, and the request for positions this year. He replied that 13 positions granted last year were related to the vessel program. Three 65' vessels were obtained through surplus sales; these 13 people were crew members. It was the intention of the division to have the vessels renovated and put into service this year, but the bids far exceeded the appropriation and one vessel was turned back. Positions were reduced to nine in that area.

Vessels

(Mr. Duncan entered the meeting 3:10 p.m.).

Mr. Woldstad answered Mr. Haugen's question, saying they had not sufficient funds to renovate two vessels; the money was used to fix one vessel. They requested approval by the administration to use construction funds for personal services. Two positions are now filled, and the full appropriation has not been used. The cost of renovating the vessels was in excess of \$550,000; \$450,000 was the appropriation. There was a program change requested, but he didn't know if it was an RP, but no supplemental was asked for or granted. Mr. Grogan will see.

Mr. Woldstad told Mr. Haugen that the boats had been obtained in Seattle; all three had been located within the State at the time of transfer to the Department; they were towed to Seattle and were there when the bids were let. One was left there. He replied to Mr. Naughton that the two remaining were in the yard at the present time with an estimated delivery date of June 1 to 15.

Vessels

He described the aircraft to Ms. Buchholdt, sixteen of which are in operating condition--no helicopters: two grumman goose, 1 deHaviland beaver, 1 Cessna 180, the balance 150 piper super-cubs. He told them where most of these were located.

Aircraft

Mr. Haugen inquired into the location of the Resolution, the Fish and Game vessel. Mr. Woldstad answered that he thought it was presently in Kodiak; they had used it during the past year, but less than sixty days out. They have relied on charter vessel in some of their work, because five 25' and one 23' vessels are all they had, none larger. He gave a list of some of the vessels they had chartered. Ms. Buchholdt asked if chartering was more expedient or better than having their own; he said it was in most cases though it depended on the fishery, and availability.

Vessels

In response to further questioning, he related that a flight is made along the pipeline corridor approximately every two weeks; this depended on weather. During the hunting season there was more effort put into the areas. The average cost per flight figuring on five days duration would be about \$350 plus fuel; he couldn't give a full breakdown on costs. He referred them to page 197 showing the contractual services: The \$18,700 includes primarily maintenance costs for aircraft, charter work, helicopters when needed. The travel is shown under travel. He said that the trooper is under a different budget; that the cost of the trip is not always to the pipeline--it depended on what work was accomplished on the trip.

Pipeline
Enforcemnt

Mr. Haugen asked how much was charged against the pipeline, and was told that the entire appropriation is General Fund with none reimbursible.

Ms. Itta asked about abuse of animals by employees in the camps; but Mr. Woldstad reported that with only the experience of one fall season, there is very little problem with them. The most disruptive groups have been seismic crews, helicopter and crews. The camps are fairly well managed with very little mis-use of resources. There has been some problem with licensing in the camps because venders are not readily available.

Pipeline

Having finished his presentation, Mr. Woldstad was thanked by the Chairman and excused.

Mr. Al Eagle, Administrative Director of the Department of Environmental Conservation handed out material showing the reorganization of his Department. He explained that some programs are new, some absorbed to avoid specialization; he pointed out that for less money and fewer positions, they will have a better organization. He introduced John Scribner, Director of the Water Programs, who had some information on

ENVIRONMTL
CONSERVAT.

the Village Safe Water Program. Mr. Scribner reported that there was \$4 million in the Village Safe Water Program as a result of two bond issues passed several years ago; they have constructed, or have under construction five projects. Each project was estimated at \$300,000 and has ended up costing about \$1 million each. Two other facilities in Chevak and Northway were estimated at \$60,000 and cost \$70,000 each. With the remaining money they are in the design phase of three additional facilities in Koyukuk, Pitkus Point and Beaver and using a different approach than with previous projects. They feel it will give more for the money and involve the villages to a greater extent. This is a three way contract between the village, the Department and the Engineer for the design purposes.

Village
Safe Water

The Village Safe Water Act provides for centralized facilities for villages with a 2500-2600 population, to obtain safe water, dispose of wastes, to shower and wash clothes; this is for places where a running water system is difficult to install and impractical to have.

In response to Ms. Buchholdt he said the cost of \$1 million per project may have been poor original plans; the scope of the project may not have been clear plus tremendous inflation rates. It was difficult to get equipment. There were a myriad of people involved and lack of control of the project. He said that the systems in Alakanuk,, Selawick and Nulato were much more sophisticated than the Chevak and Northway installations, and in the last two the villages had gone part of the way then run out of money, and they only helped finish the facilities. The problems were much less severe in Chevak and Northway.

Mr. Scribner related that at the same time they were building schools, the schools said they could not put in water and sewer because of high costs. The Village Safe Water Program said they would provide the water and sewer and the school agreed to provide the money to operate above and beyond what it made from the payment for use of the facilities. He described the operations in Alakanuk, Selawik and Nulato for Mr. Naughton: Alakanuk gets water from the Yukon; it's pumped into the facility and treated--a physical chemical system. About 15,000-17,000 gallons a day are treated; also chlorinated. Sewage is collected and receives complete treatment in a similar process to the water.

Mr. Haugen asked how much money was left of the \$3 million; Mr. Scribner reported about \$800,000 to \$1 million was left, and they expected to get a total of eight projects from the \$4 million. All the costs are not in yet; they hope to build the next three projects with the remaining money. They have requested \$1 million to help continue the program until another bond issue can be issued in FY 76. He further told Mr. Haugen that it wasn't the intention to be a support to the schools; the operation and maintenance requirements are part of their budget. S.O.S. has made a firm commitment of \$72,000 to the village because the system is village-owned.

Mr. Scribner felt that with the new management they will have better control working with the village and one consulting engineer, and can eliminate excessive costs.

Village
Safe Water

(Mr. Cowper entered the meeting).

Answering Mr. Guy, he said that all the money goes toward construction costs; none is taken out for administration. They have asked for \$1 million out of General Fund money.

Ms. Buchholdt asked for a description of what other functions they performed; Mr. Eagle replied that additional positions were authorized to try to determine state-wide total need for Village Safe Water facilities; to help survey for future needs. Ms. Buchholdt asked if there was any interaction with Comprehensive Health Planning who have nine planners. Mr. Scribner said they had not been in contact with them, but acknowledged it as a good suggestion.

(Ms. Itta left the meeting).

Mr. Scribner told Mr. Guy that about \$12 million was left of the \$44.6 million obtained through bond issues; this will be \$9-10 Million very shortly. He said \$600,000 was grant to Kodiak; in 1969 or 1970 there was a total of \$4 million that was directly appropriated from the General Fund. They do have a lot of matching but also can provide up to 25% to a community regardless of whether there are federal monies or not. There was \$40 million worth of bonds issued and \$4.6 direct appropriation.

Ms. Buchholdt inquired into the operation of the Water Pollution Control; Mr. Scribner reported that there were two major functions: The central headquarters office with a small staff is responsibility for policy state wide and administration of the policies; also rinvolved in review of federal permits to see if they are compatible with theirs and general conditions in Alaska. The Plan review Function has a requirement that all facilities with waste discharges must submit plans and they must be approved. This is one area they felt they can prevent problems from occurring. Under the FPWC Act of 1972 they must have a National Pollutant Discharge elimination permit for any kind of discharge. The Environmental Protection Agency is trying to get them to take over the program; they do reviewing of all permits and either certify them or issue a conditional permit, or deny them.

Water
Pollution

In response to further questions from Ms. Buchholdt he said they do work closely with Fish and Game, but from different points of view. In the case of a water quality violation of disturbance of an anadramous fish stream; they look at the water quality, Fish and Game looks at it biologically.

Water pollution deals with what comes out of sewage. Water supply has to do with where one obtains drinking water; they have not been very active in this important area. Mr. Scribner felt they need to get into this to help up-grade the water supplies. The Federal Government has just passed a Safe Drinking Water Act which provides for the State to do specific things.

Mr. Guy asked if the State would be receiving federal money and was told yes. Mr. Scribner said this switches back to the construction grant program. As background he told the Committee that Nixon had impounded \$9 billion and President Ford announced the release of \$4 billion; the supreme court said the money was illegally held and must be released immediately. Alaska received \$25,250,500 which will go to provide 75% of costs to provide sewage treatment systems. (Ms. Itta and Mr. Duncan entered the meeting).

Village
Safe Water

In answer to Mr. Guy he said that sewage goes into an isolated area, not in a river, in the three areas with facilities.

(Chairman Malone entered the meeting 4:12 p.m.).

In response to Mr. Haugen, Mr. Scribner replied that the villages will pay a portion of the operating costs, the difference is made up by S.O.S. at Alakanuk, Selawik and Nulato; Selawick is now an independent school district and they will have a very serious problem about where the money will come from for that facility. They had a contract drawn up originally but did not know that an independent school district would develop so they would no longer have a contract.

Mr. Eagle and Mr. Scribner having finished their testimony left the meeting at this time. Chairman Malone resumed chairing the meeting.

The Limited Entry Commission representatives Alan Adasiak and Roy Rickey were invited to testify. The Chairman first asked how the assistance to fill out applications was coming along, and was told that they were thinking this week about an extension of the due date; thinking in terms of thirty days. Mr. Rickey said they could extend it indefinitely, but that would leave a lot of people waiting. They have contracts with three regional native organizations and SEACAP, and a couple individuals. There are not many places there will not have been one person at least; they think they will be getting the job done. He also added, in response to Mr. Haugen, that if a person were eligible for more than one fishery he could hold more than one permit, but there were very few in this category. (Mr. Gruening entered the meeting).

Limited
Entry

Application
Assist.

There was a brief discussion about the residents in the Yukon-Kuskakwim region, and Mr. Rickey stated that there was \$3,000 for travel in that area. Mr. Adasiak added that the money appropriated supplementally was not totally committed and some more could be made available.

In presenting the budget request for Limited Entry for FY 76 Mr. Rickey said there were three types of activity: Identification of other fisheries requiring limited entry; putting Limited Entry into effect in identified fisheries; and doing background work on buy-back.

Limited
Entry

Other areas to be investigated are shrimp, crab and perhaps herring. The Commission will go into the areas and tell them what they propose and seek comments; public hearings will be

held; proposed regulations drafted; more public hearings and on the basis of that adopt final regulations. The implementing of limited entry where needed will be a continuing of the application process and in some cases by adjudication. Later in FY 76 they may go into some form of application process.

Limited
Entry

On the buy-back, they are investigation the Canadian program because their program got out of hand; they acquired vessels and could not dispose of them at a reasonable price.

Buy-back

By request of the Chairman Mr. Adasiak reviewed the adjudication process, which went through two stages, after the application had been received and is dealt with on a staff level. A notice of classification is sent and 45 days are given in which to appeal this classification--the time frame can be waived. If appealed it goes to a hearing before the Hearing Officer. The facts are reviewed and a notice of findings sent; it is then scheduled by the Commission for action. The Hearing Officers decision can be appealed, or the Commission can adopt his recommendations. The Commission can only hear oral arguments on the material before it. Any new material has to be sent back to the Hearing Officer for further consideration. Where the hearings are held depends on circumstances. One person might be coming to Juneau; or if there is a group of them the Hearing Officer could travel out. So far there have been only two requests for hearings and two held, out of 2500 issued classifications, 41 have been denied. Mostly people are not aware of some of the latitude allowed them.

Limited
Entry

There was discussion of the judgment to be handed down by Judge Stewart tomorrow morning testing the constitutionality of the Act. If the court granted a preliminary injunction; and they were ruled against, Mr. Adasiak said it would not affect the budget because the job must go on. It could be carried to the U. S. Supreme Court and in that case could take as long as two years to settle.

(Mr. Guy left the meeting).

The Chairman asked how much had been brought in in terms of fees for entry permits so far; Mr. Adasiak reported \$636,000 for FY 74, but that the Commission was on a fiscal year basis and the permit schedule runs on a calendar year basis so he might be wrong. He could get an exact number by tomorrow. He told Mr. Duncan that receipts, by constitution, went back to the General Fund.

Mr. Haugen suggested a State tax could be charged on the license. Mr. Adasiak said it was not set up as a source of revenue; fees have not gone up since 1959. It had been suggested to the Governor that it might be advisable to combine with the Department of Revenue.

(Mr. Guy re-entered the meeting).

Chairman Malone asked for more information on by buy-back program; Mr. Adasiak said an economic analyst had started preliminary work. He mentioned several things the Canadians did that seemed not to be working well that they wished to avoid.

Mr. Adasiak told the Chairman that levying a buy-back assessment would not happen until everyone knows what the program will be. There would have to be hearings and so on; 1976 would be the first year it could be done; then in only 8 of the 19 fisheries--the distressed areas. Mr. Rickey remarked that the optimum levels could change if the harvest level did. In answer to Mr. Guy, Mr. Adasiak said contractual service contracts were awarded for rent, to printing, to professional services. He mentioned several contracts in effect now.

Limited
Entry

(Mr. Cowper left the meeting).

Mr. Duncan asked about the extent of their data processing services; he was told that they have gone to Anchorage because computer time here was not available; they have not used State computer services.

The Committee had no further questions of Mr. Adasiak and Mr. Rickey, and they left the meeting.

The next Budget Component was the Fisheries Commission under the Office of the Governor; Mr. Charles H. Meacham, Director of International Fisheries and External Affairs was invited to present his budget, and answer questions from the Committee.

OFFICE
OF GOV

Fisheries
Commission

Mr. Meacham outlined the responsibilities of his office to the Committee: International North-Pacific Fisheries Commission Advisor; Pacific Marine Fisheries Commission Advisor; U. S. State Department--Law of the Sea Advisor and Ocean and Fisheries Affairs Advisor; Deputy U. S. Commissioner of Fur Seal Commission; and Senior Fisheries Officer at the Bi-Lateral Negotiations.

He reported that the budget had been put together by others last October; there were two changes that occurred since he was hired, both personnel reclassifications. The Position of Director of International Fisheries was reclassified as Director of International Fisheries and External Affairs to take care of the Tokyo Offices. A Secretary I was reclassified as a Research Analyst. These resulted in approximately \$10,000 added to the budget that was submitted in October. All other increases are in the nature of maintenance.

The Chairman asked what other external affairs he dealt with besides International Fisheries; Mr. Meacham replied that he had to do with items of foreign nations that are dealing with the State of Alaska--arranging meetings; scheduling travel.

He related to Mr. Guy that Alaska is isolated and surrounded by all foreign countries and those countries are now fishing on the high seas. He represents Alaska at the Bi-Lateral Treaty meetings between the U. S., Canada, and Japan for the north pacific. He makes sure that Alaska is well represented when the U. S. State Department negotiates with foreign fisheries in the use of waters; that they aren't traded out by mistake or oversight.

In response to Mr. Naughton, he said that the Tokyo Office function has been mostly public relations providing information to tourists and businessmen coming to Alaska; also people going to Japan in a business sense. The Director is Canadian born. The office

also help people with purchases, reservations. They do hope to expand the scope of the office. Mr. Katsiama's position

Tokyo
Office

There was discussion about artifact between the governments, and the suggestion that Mr. Katsiama might be able to check into this. Mr. Meacham felt it might destroy his effectiveness in representing Alaska if this were taken as being a spy in Tokyo--that this was a delicate thing to ask. He also told Mr. Naughton that he could not recommend a course of action that would "nail down" figures on Japanese activity.

(Mr. Gruening left the meeting).

Mr. Dawson told Mr. Guy that a great deal of the increased cost of travel was due to the revision in the per diem rate. There are now more costs for the same amount of travel.

The Chairman reminded the Committee of the workshop on the Ombudsman bills -- CSSB 1 and HB 45 -- at 7:00 p.m. tonight.

Corrections to the minutes were as follows:

Page 168: Ms. Itta, not Mr. Duncan, wondered about a long range plan for increasing salaries for State employees because of cost of living.

Page 170: Paragraph 4, line 3; the word "retroactive" should be "redundant".

The minutes were approved as corrected through **February** 27.

The meeting was adjourned at 5:35 p.m.

HOUSE FINANCE COMMITTEE
Tuesday, March 4, 1975
8:38 a.m.

All members were present except Messrs. Naughton and Gruening who arrived later. Also present was Alison Farnan, Administrative Assistant to Legislative Finance. PRESENT

The Development Budget was presented by Ms. Farnan, who first pointed out in the index of the workbook the difference between FY 75 and the FY 76 request which is a reduction of \$14.437 million or 29.8%. This reflects pipeline impact budgets which were wiped out. DEVELOPMENT

The required payments in this Category are:

- | | Required
Payments |
|--|----------------------|
| 1. <u>Estimated revenue sharing</u> , \$14,086,900; General Fund money under the Department of Community and Regional Affairs. This depends on how many new boroughs there were. | |
| 2. <u>Shared Taxes</u> , under the Department of Revenue, \$7.3 million, General Fund except for Aviation Fuel Tax Fund. | |
| 3. <u>Native Claims</u> payments, \$4,443,300, is increased. | |
| 4. <u>Debt Service</u> \$893,800. | |
| 5. <u>National Forest Receipts</u> \$399,100 which goes to the boroughs within the two national forests. | |

These mandated payments total \$27.2 million and leaves \$6.784 in the budget for general programs.

In answer to Mr. Guy Ms. Farnan reported that the Reindeer program was developed for one year and funded by the 1973 Legislature. There are still funds encumbered. Reindeer

Chairman Malone asked about \$4.4 million worth of Native Claims under Natural Resources, commenting that they had sent through an appropriation to Community and Regional Affairs (CRA). Ms. Farnan said that CRA wants this to be transferred to Natural Resources because they are only the check writing agency. Native Claims

No change in the Tokyo Office from last year. It is a personal service contract because Mr. Katsiama is a Canadian citizen and Alaska cannot hire aliens. He maintains the Tokyo Office, writes letters, arranges visits to the U. S., helps promote better relations between Alaska and Japan. Tokyo Office

Ms. Buchholdt asked about the \$36.3 budgeted on page 5 of Natural Resources, pointing out that it was Mr. Meacham's budget. Ms. Farnan told her these were two separate offices, and Mr. Meacham firmly believed we got back much more then we put into the program.

Mr. Gruening added that the \$78,000 was for his staff and salaries; he had three people some years ago and the increase was due to inflation in Japan. The rest is commodities and communications.

Ms. Farnan also stated that this was his only employment; he represents no other State. She didn't know if any other States had a Tokyo Office, and will check the two budget areas for overlapping. This office acts in behalf of Alaska in delicate matters of fishing and treaty violations.

Tokyo
Office

The Tourism budget was hastily put together by Budget and Management because of a change of administration and extensive travel of the Director and Deputy Director. This budget deleted eight positions: 4 temporaries and 4 full time. Revisions if any do not show in the book. She told Chairman Malone that the \$505,000 in constractual services is mostly printing and advertising. The Governor's figures represent the request due to the change of Economic Development. Ms. Farnan did not have figures on how many people came to Alaska last year, but a lot is spent on advertising; the current year prediction is 200,000. Mr. Duncan suggested getting in touch with Mr. Montague, Director of Tourism.

Tourism

In response to questions from Mr. Gruening, she reported that there were some changes because of Economic Development going into the Department of Commerce and other agencies, resulting in a decrease of about \$190,000. Policy Development and Planning is the economic reporting and statistical function. She further stated that the only thing Policy Development and Planning does for the Development category is receive agency funds and transfer them to CRA. She was not sure if the reporting and statistical function had been reduced.

Mr. Duncan requested a comparison of : FY 75 amounts for each Division; agency requests;;and the amount they would be if the Department had not reorganized. Ms. Farnan replied that she would get the information from Budget and Management.

Policy Development and Planning is the only agency within the State that can receive Title VII funds except for the Anchorage Borough. These federal funds are transferred to CRA and used for grants.

Policy
Dev & Plan

Pipeline Impact Grants to Communities, are direct cash grants to communities made at the end of the 1974 session. The money is completely given to municipalities. Ms. Farnan replied to Ms. Itta that there were other pipeline impact funds in different budget request units.

PL Impact
Grants to
Community

Pipeline Impact Grants to Unorganized Boroughs is shown here because a balance of \$1.217 was left in the Office of the Governor. The rest has gone through the revised program process where positions were involved. Some approved by the Budget and Audit Committee. She had copies of the RP's. The Chairman asked if the \$1.2 million will remain unexpended; Ms. Farnan replied that RP's could be coming over, but this was the latest information.

Unorganized
Borough
Grants

The Surplus Property program must operate within their receipts and had to cut back this year. There is a handling charge which they charge the recipients to get federal surplus equipment. They show one full time position at \$240 per month, so the 8.1 positions must mean they share the one with another agency.

Surplus
Property

(Ms. Itta left the meeting).

Shared Taxes are simply a certain percent that is sent back to some areas; this is all General Funds except the Aviation Fuel Fund.

Shared
Taxes

Industrial Development Services budget is not complete; Mr. Dawson had no idea what the Governor's budget would be; there will be changes. The budget will be finished Thursday, handed in Friday and the figures should be available by next week.

Industrial
Develop.
Services

(Mr. Naughton entered the meeting).

Ms. Farnan told Ms. Buchholdt that she didn't know if this was the one being phased out. The Chairman remarked that it was completely inactive, and Ms. Farnan said there might be revised positions on Friday. All 11 full time positions are from the old Office of the Governor, Department of Economic Development. Mr. Gruening asked if they performed the same function as Economic Enterprise; she was not sure if they were following the same program.

Developmental Loans includes the Townsite Revolving Loan Fund; the Small Business Revolving Loan Fund; Commercial Fish Revolving Loan Fund and the Alaska State Development Corporation. Mr. Haugen thought some were supposed to be phased out, and Mr. Naughton said there had been the suggestion that a ceiling be put on the loan fund and that the Small Business Loan Fund be repealed. Ms. Farnan reported the loan funds have a portfolio of \$8 million and that Tourism has loans of \$4.8 million. She told Chairman Malone that they planned on approving 102 loans per year and on applications of about 200. Mr. Gruening commented that this was less than the cost to administer them. Ms. Farnan didn't know what they processed in loan dollars. The Chairman pointed out that 102 loans meant that each of the people had to complete one loan per month.

Develop.
Loans

Regarding the Veterans' Loan Fund; Ms. Farnan had found several discrepancies--the person who did the budget had been on vacation for the past five weeks and there has been a change of Directors. All requested positions but one were approved by revised program in the Budget and Audit Committee. The Chairman noted that they are running about \$3-4 million per month through their office; he requested to know how much they were going to approve. He was told that there is a 1/2% charge against the loan; its direct General Fund money. Mr. Duncan suggested looking at them paying their way into the General Fund. The Chairman noted that they have most of the people working in Veterans' Loans, yet he keeps getting complaints that they are not processing the loans. Mr. Haugen said some people apply for loans and don't have collateral. The Chairman mentioned one place where he knew cash was not received for nine months; Mr. Haugen remarked that when they cut the residency requirement to five years they were flooded.

Vets'
Loans

The Small Grains Incentive provides payments to farmers to offset greater cost of raising small grains in Alaska. FY 76 will be the last year; the program began seven years ago and was amended to include one more year. Ms. Itta asked how many people benefited.

Small
Grains
Incent.

There is not a lot of production in Small Grains because they have been selling it for straw before the grain is mature, for absorption purposes for oil spills.

Small
Grains

(Chairman Malone turned the meeting over to Vice-Chairman Buchholdt).

Ms. Buchholdt questioned the double \$8,000 request under State Fairs, for Bethel in 1976. Ms. Farnan said there was a maximum amount that could be applied for. The prime reason is for industrial and agricultural fairs. Mr. Haugen mentioned a bond issue denied in Senate Finance Committee; Ms. Farnan reported that in a couple years there will be another try to get a bond issue of \$2-3 million. They requested a new position this year which the Governor disallowed; it was to help inspect the buildings built through capital projects. The other fairs besides Palmer and Fairbanks have volunteer help to do paperwork. The Alaska Fair Association requested position to do this.

State
Fairs

The Plant Material Center is located in Palmer and is the only State operated one in the Nation; the federal government was not interested in production in the northwest at the time money was applied for. Actual production has begun much sooner than they anticipated; this is for highway plants--plants that will survive in all areas of the State; grasses, trees. Mr. Haugen said they experimented with different kinds of grasses for the highways; he thought they were working with Atlantic Richfield in the pipeline area. Ms. Farnan said there is overtime because of weather and emergencies.

Plant
Material
Center

(Mr. Malone re-entered the meeting).

Administration is the administration of all agricultural programs; the Governor denied one position.

Admin.

Agricultural Loan Fund is to assist people who cannot obtain financing for reasonable terms elsewhere. Mr. Naughton confirmed the Chairman's comment that there is an audit in progress to find out why over 50% of the loans are delinquent and have been re-financed many times.

Agricult.
Loan Fund

The bulk of the jump in Native Claims Payments is due to the 5¢ per barrel increase.

Native
Claims

King Crab Marketing and Quality control operates within the program receipts. It was established to aid the industry and Mr. Naughton pointed out that they needed a quasi-official status to police the membership. He told Ms. Itta there were 5 or 7 people on the Board. The contractual services of \$170 thousand is for advertising--promotional--and is all industry money.

King Crab
Marketing

Remote Village Radio is communications to villages were none exist; she will check for Ms. Itta which are remote. The question was raised as how this coincides with the several T.V. translator systems in Seattle.

Remote
Village
Radio

The Reindeer program is shown because it had a 1974 budget.

Reindeer

3/4/75

Mr. Guy asked about the status of the Kuskakwim Feasibility Study and Ms. Itta about the Agreement with University of Alaska.

Ms. Farnan reported that the Commissioner of Economic Development Office was abolished and a couple positions transferred.

Econ.
Develop

Rural Affairs had a \$2,000 increase for travel. This is a 56 member board; no salaries; they don't all travel to every meeting. Total per diem is \$11,600. Ms. Farnan told the Chairman she was not sure if they issued reports but would check with CRA. The Chairman wondered how effective their input is if they meet and no one pays any attention to them; maybe there should be better people.

Rural
Affairs

Local Government Assistance provides technical assistance to new cities and boroughs. Municipal management helps train public officials. They requested nine positions; the Governor allowed five plus one transfer. The disallowed positions were in Fairbanks. Chairman Malone asked Mr. Duncan to find out what these people really did. Mr. Haugen said what they do is eliminate the transportation gap between Anchorage and Juneau because they service the areas in the small villages. Ms. Farnan pointed out that even with the new positions up north they still were not able to reduce their travel that much; in fact it went up because there are more people. Ms. Buchholdt remarked that this brought up the problem of TR's. They have no accounting of them; State agencies don't know who has them, or where they go.

Local
Govt
Asst

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

RECESS

AFTER RECESS
10:46 a.m.

Members present were Chairman Malone, Ms. Itta, Ms. Buchholdt, Messrs. Duncan, and Guy. Absent were Messrs. Naughton, Gruening, Cowper and Haugen. Also present was Ms. Alison Farnan, Administrative Assistant, Legislative Finance.

PRESENT

The review of the Development category was continued with the Local Bounary Commission which reviews and disposes of local government boundary changes; sits in on any hearings or proceedings. The number they did last year is in the red book. The positions going from 2 to 2 1/2 indicates they are sharing one position with Local Government Assistance, who administers this program; it is a constitutionally mandated operation. The Program accomplishment form in the red book page 495 shows last years and FY 76 projection of activities.

DEVELOPMENT

Local Planning Assistance provides staff services and grants and aid to communities; land use planning; capital facilities and natural resources management are some areas. They are initiating four new programs for the jump in positions. The Governor's column is not correct: personal services is \$285.4; travel is ok; contractual services \$354.9; commodities \$6.5; equipment \$3.7 for a total of \$680.7.

Local
Planning
Asst.

The Governor disallowed the Technical Information Program, for development and planning capabilities; experience shows that efforts are more effective if backed up with material.

Technical
Informatio

3/4/75

Flood Protection Insurance is a Division proposed to help flood prone communities qualify for federal Flood Disaster Protection Act (FDPA) benefits. Insurance companies will not provide insurance unless the constructed facilities comply with the FDPA.

Flood
Protect
Insurance

(Mr. Haugen entered the meeting).

701 Grants are non-metropolitan grants; federal funds that come from the Office of the Governor.

701 Grant

Townsite Survey and Planning, deals with the preparation of 20 to 25 townsites annually for the next five years, to coordinate with State participation in an interagency program.

Townsite
Survey &
Planning

Development Planning; one position whose duties stress "long term development" under federal legislation--Local Development Act. Provides assistance and planning with grants coming under that legislation. The Governor allowed eight new positions; knocked out two but transferred two from Economic Development.

Develop.
Planning

(Mr. Gruening entered the meeting).

Local Financial Assistance is an organizational grants program same as Eagle River-Chugiak Borough.

Local
Finance
Asst

(The Chairman turned the meeting over to the Vice-Chairman).

Agricultural Land Property Tax Exemption reimburses to the State for revenue lost by the operation of the provision that agriculturally used land is tax exempt.

Agricult.
Land Pty
Tax Exempt

(Mr. Cowper entered the meeting).

Ms. Buchholdt asked how many farmers were involved in this and their location; Ms. Farnan said that the Matanuska-Susitna Borough, the Fairbanks North Star Borough, the Kenai Peninsula, and the Greater Anchorage Area Borough were included. Applications totaled 195 mostly from the Mat-Su Borough.

Revenue Sharing is based on per capita per facility and all goes back into the communities. They have requested some positions for the first time to help out with paperwork. The Governor's figures should be: personal services \$34.8; travel \$3.0; contractual services \$9.0; commodities \$.5; equipment \$0.0 for a total of \$14,086,900. The Governor transferred one position in from Pipeline Discretionary Grant.

Revenue
Sharing

There was discussion of the hospital contract which has a rate of \$1,000 per bed; \$4,000 per facility and \$2,500 per bed for future hospital construction. In the Parks and Recreation, Ms. Buchholdt thought the Anchorage Borough had to match it to obtain funds from the State. Ms. Farnan will check on this.

National Forest Receipts; funds go back to the communities located within the Tongass National Forest and Chugach NF. It is an estimate without pre-judging what would have happened with the Haines Annexation.

National
Forest.
Receipt

3/4/75

Pipeline Local Government Assistance is composed of 14 representatives from the communities along the pipeline corridor which the Governor suggested should be absorbed into any other BRU. CRA will attempt to absorb it in Community Planning.

PL Local
Govt Asst

Pipeline Discretionary Grant Fund was abolished. This was \$10 million to start with and about one-half has been given to the communities listed in the workbook. Balance has been applied for and it is simply a matter of approving the requests. She will supply a list of communities that are applying.

PL Discre-
tionary
Grant Fnd

(Mr. Naughton entered the meeting).

Pipeline Discretionary Grant Administration is abolished.

Admin.

Rural Development Assistance Grants help the smaller communities in the State in need of public works projects; the maximum grant is \$20,000. Ms. Buchholdt asked how many villages, and was told that any community under 2,000 in population can apply, but Ms. Farnan was not sure how many had actually received grants or were aware of them.

Rural
Develop
Asst.
Grant

(Mr. Haugen left the meeting).

Rural Development Assistance Administration; the Clerk Typist III will also help in NYC and operation of mainstream programs.

Admin.

Public Employment Program like the Reindeer program is shown because it had a 1974 budget. Main portion of the funds are located in Social Services Budget; they still have 16 PEP positions.

Public
Employ.

Debt Service is the principal and interest on bond issues. Mr. Guy requested a copy of the court decision on GO Bonds, one subject rule. Mr. Duncan asked for a list of communities who applied for contingency funds under port facilities, and if there was a balance.

Debt
Service

The meeting was adjourned at 11:20 a.m.

ADJOURN

AFTER RECESS

2:13 p.m.

All members were present with the exception of Representatives Buchholdt and Naughton. Also present was Mr. Dawson, Director of Budget and Management; Mr. Gonder of Budget and Management; Commissioner McAnerney of Community and Regional Affairs; Messrs. Chenoweth, Wegener, and Boston, directors in the Department of Community and Regional Affairs; Representative Cotten; and members of the staff.

PRESENT

Chairman Malone called the meeting back to order, and the committee resumed its overview of the Development budget.

DEVELOPMENT

Commissioner McAnerney said that one of the main changes she sees in the CRA (Community and Regional Affairs) portion of the Development Budget is taking the land claims payments and transferring them to the Department of Natural Resources. Another change is that pipeline impact funding is completely out of the budget.

COMMUNITY &
REGIONAL
AFFAIRS

The Commissioner read a printed statement (attached to these minutes) giving the major changes in the CRA request in the Development category.

Mr. Haugen asked the reason for the increased Travel request in Local Government Assistance. Ms. McAnerney said that travel costs are increasing, and in addition the Department is receiving increasing demands from communities, and it takes travel to follow up on these.

Local Govt.
Assistance

Mr. Duncan referred to two Local Government Specialist positions which had been requested for Fairbanks and which apparently the Governor disallowed, and he asked if that was the case. Ms. McAnerney said no, that that was the Department's decision. She said that they already had office space in Anchorage and that office space in Fairbanks was very high. The rent was too very high in Fairbanks that they figured it would be cheaper to have offices in Anchorage even though it would mean more travel.

Mr. Malone noted that in Local Government Planning Assistance there are four new tasks CRA plans to undertake including flood protection. Ms. McAnerney said that the federal government has a flood plan and CRA will be helping the communities in understanding that. They will be working with the Corps of Engineers.

Local
Planning
Assistance

Mr. Malone said that he also understands that they will be

working with the townsite planning under the Settlement Act. Ms. McAnerney said that that comes under their Community Planning Division, which Mr. Waring is director of. Mr. Waring, however, was in another meeting.

Mr. Guy asked if a community having serious erosion problems would be able to contact this office, and Ms. McAnerney said yes. Mr. Guy asked if a person in order to get this assistance would just contact the department, and Ms. McAnerney again answered yes.

Ms. Buchholdt asked what the different planners in Local Planning Assistance do, and Ms. McAnerney said that they go in and work with the communities in any phase of planning that they need help with. This is not in connection with planning for ports, airports, etcetera.

Ms. Buchholdt asked about the senior planners in Anchorage. Ms. McAnerney said that one will work with the Flood Control and one with the Townsite Development. The expertise for this is not available on local city councils or assemblies.

Ms. Buchholdt asked if they do a lot of contracting out. She noted that their contractual services budget was high and wondered if, even though they have 5 planners, they still contract out some of their work. Ms. McAnerney said that they do.

Mr. Chenoweth said that if communities request planning assistance, they don't hire someone to do that. There would be a contract between the State of Alaska and the municipality or regional native group. The contract describes the job to be done. Services are generally funded by HUD 701 funds. The agency administers the non-metro portion of those funds. Contracts would run between state and municipality and would be funded by that 701 source. The municipality in turn could contract with someone.

Mr. Haugen commented on the training programs for municipal governments. Mr. Chenoweth said that there was a time when training efforts were geared to a central place. However, "faces change, municipalities change" and now their emphasis is on training someone part time or full time, possible in a city clerk kind of position, who can stay on top of written materials that come in in and provide some continuity when municipal councils and officers change. He said that they have come to the decision that the thrust of their program has to be toward a given group of people and must be done with each group. He described it as a "tailored" operation, and emphasized that they have felt it must be

done on the individual community level.

There was a brief discussion on audit requirements for the municipalities. Mr. Chenoweth said that they have had problems with respect to the kind of individual required to do audits. The statute says "public accountant". Mr. Duncan mentioned that there is a bill in now to change that language to "independent accountant". Commissioner McAnerney has endorsed this bill, she said, noting that under Title 29 CRA has no audit authority.

SB 238

Mr. Malone asked for comment on the Rural Affairs Commission as to how effective their advice is. Ms. McAnerney said that she does not think it has functioned too well, and she noted that it is a very expensive commission. She recommended that the size of the commission be cut down, as she feels it is a very large and unwieldy number.

Rural
Affairs
Commissioner

Mr. Boston, Director of Rural Development Assistance, said that he doesn't think it has been an effective commission at all. They have not put out many resolutions and he said that he couldn't say if any they have put out have been acted on or not. There has not been a meeting for a few months.

Ms. Itta asked when the commission was formed, and Mr. Guy answered about four years ago. Ms. Itta asked if this was part of the Land Claims Settlement, and she was answered yes. She asked if it was formed for political reasons, and was again answered yes.

Ms. McAnerney said that boards and commissions are only as effective as their members. She said that it is her feeling that if the commissioners are not effective, they should be terminated. Mr. Boston said that he thought the commission could be effective if it was used differently.

Ms. Buchholdt referred to Pipeline Discretionary Grant Fund, and said that although there is still a lot of money left there, she understands that the money has been applied for. She asked who has applied for these funds.

Pipeline
Discretionary
Grant Fund

Ms. McAnerney said that the city of Seward has applied, but she turned them down. They intend to reapply, however. Kenai and Soldotna are planning on applying. A list of grants that have been approved were passed out to the committee (see category file).

Ms. McAnerney stated that they will have more applications than there are funds left.

3/4/75

[Mr. Naughton entered the meeting.]

Mr. Gruening asked about the Greater Anchorage Borough application and Ms. McAnerney said that it is still being processed. Reference was made to a memorandum of January 17, 1975, from Jack Chenoweth to Rich Guthrie summarizing the impact discretionary grants as of that date (copy in Development file).

On the Local Boundary Commission, Mr. Duncan inquired about the method of holding hearings. Ms. McAnerney said that they are required by statute to give 15 days' notice before scheduling hearings. They have tried to have three notices a week apart across that 15 day period, the first one being more than 15 days. Sometimes they may not be able to accomplish that, but that is what they try for. Newspaper notices are usually used when a city has a newspaper or there is a newspaper in a nearby city which is commonly read by people in the area involved. In some places they have used radios to broadcast.

Local
Boundary
Comm.

Mr. Duncan said that he knew of at least one case where the hearings were held other than in the area involved. Ms. McAnerney explained that decisional meetings are generally held at wherever the next scheduled commission hearing is, and that was the case in the Haines matter which Mr. Duncan referred to. Hearings in Haines had already been held and the next scheduled commission meeting was in Fairbanks so that is where the decisional meeting took place.

Mr. Haugen requested a report on boundary commission activity.

In response to questioning by Mr. Guy, Mr. Chenoweth said that the non-metro program has been transferred from the Office of the Governor to the Division of Community Planning. Non-metro, he said, means everything outside of Anchorage.

Local
Govt.
Planning

Mr. Gruening asked the reason for only partial approval of Anchorage's pipeline discretionary grant application. Mr. Chenoweth said that the City of Anchorage application was largely contingent on evidence of population growth contributable to Pipeline construction and cutback was related to population increase being less than projected.

Pipeline
Discr.
Grants

Mr. Gruening asked about the borough health planning request. Mr. Chenoweth said that the documentation is not completed. They are trying to pin them down. There is also a matter of the use of the first \$10 million, and a question about reduction of taxes. By statute this was not supposed to be used to reduce local taxes and they have done this.

3/4/75

Mr. Guy stated that in his area, the Yukon-Kukokwim area, there were some revenue sharing funds that were lost by the villages because of a lack of proper knowledge which resulted in not completing forms on time. He said that he understood that there was \$100k000 lost in that entire region. Keeping that in mind, he asked if the department has any indication of how much money the villages in rural Alaska lose each year because they are unable to complete forms properly and on time. Mr. Chenoweth said that the only community he knows of in that situation was Fortuna Ledge. He said that every letter goes out registered, with a letter of instruction from the commissioner.

Revenue
Sharing

Ms. Buchholdt asked if Rural Development grants are given to business agencies rather than local governments. Mr. Boston said no, that these are to local communities, not to private business.

Rural
Development
Grants

Ms. Buchholdt asked what kind of programs they have to encourage villages to apply for RDA grants. Mr. Boston said that they don't have to encourage them. They have over \$600,000 of applications in the office now and that by July if they had \$1 million and funded everyone, they still wouldn't have enough. He said that some people apply for the maximum and some don't. If they funded all of the communities at the maximum, they would be able to serve far fewer communities.

Meeting recessed at 3:10 p.m.

Recess

AFTER RECESS

3:15 p.m.

Chairman Malone called the meeting back to order at 3:15. All members were present with the exception of Reps. Haugen, Naughton, Cowper, and Duncan. Committee resumed discussion of the Development budget.

PRESENT

DEVELOPMENT

Referring to the reorganization in this category, Mr. Dawson explained that they have recently learned there could be some changes in organization because of the recently submitted SENATE BILL 225 (relating to governmental reorganization), which would provide some different configuration of agencies than the executive order. The Budget Review Committee will be meeting Friday to take a look at this.

Mr. Gruening, referring to the overview attached to these minutes, noted that the 1975 Adjusted (including supplementals) budget figure was \$52.1, and that the Governor's budget figure for FY 76 is \$33.9, a decrease of \$34.9 in this category. Mr. Gonder said that a primary reason for this decrease is that

Pipeline Discretionary Grants have not been funded in the Development budget. He said that in FY 75 there were 131 positions for this category, and a total of 45 new positions were requested. The Governor's budget recommends 137 positions, or a net increase of 6. He emphasized that this is a net, not a gross increase. He said that there are more new positions authorized but there are decreases in some areas, too. Therefore, the gross increase in positions is 16, and the decrease in positions was 10, leaving the net increase of 6.

The major changes in this budget, then, are there being no pipeline grants in the budget and the reorganization of the economic development function. He repeated that the exact impact of the reorganization is not known now, since it appears that Executive Order 37 will be superseded by the Governor's requested legislation (SB 225).

The majority of the program expenditures are in five departments: Community and Regional Affairs, Department of Revenue, Department of Natural Resources, Office of the Governor, and the Department of Commerce. The majority is in Community and Regional Affairs.

He read over the highlights of the BRU changes (see attached overview).

[Mr. Duncan entered the meeting.]

Mr. Malone asked if the \$4,443,300 mentioned as grants coming from Natural Resources, and asked if that is basically the 5/ a barrel, and Mr. Gonder said yes.

Mr. Gonder was asked if one page 2 of the attachment, under Community Development, if the figure for Rural Development included administration, and he said yes, it included both the grant portion and administrative costs.

Ms. Buchholdt asked if the Agricultural Land Exemption goes back to the local governments, and Mr. Gonder said yes; it goes primarily to boroughs. Ms. Buchholdt wondered specifically what areas, and Mr. Gonder said that areas includes Mat-Su, North Star, part of Anchorage, and possibly Big Delta. He was asked what area of Anchorage, and he answered the area around Klatt Road. There are old homesteads, nurseries and tree farms around there.

Mr. Weeden entered the meeting at this time, along with Wayne Weeks of Budget and Management, and the committee took up Coastal Zone Management, under the Department of Natural Resources.

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

BUDGET SUMMARY - DEVELOPMENT

The following summarizes the major changes in the development category portion of the fiscal year 1976 budget request for the Department of Community and Regional Affairs.

Pipeline Impact

All funding for specifically designed Pipeline Impact programs has been deleted. Any municipal requests for services or grant funds to meet impact related needs will be absorbed by the Department's regular operating budgets.

Rural Development Assistance

The request for the Rural Development Assistance Grants component of this budget represents a 20% increase to keep pace with inflationary increases in the costs of lumber, electrical supplies, building materials and freight. Approval of the request will allow a similar level of grant capability as the current fiscal year.

Agricultural Land Property Tax Exemptions

This request provides \$196,000 for funding of Chapter 90, SLA 1974. The program allows reimbursement to municipalities for ad valorem taxes lost through application for exemption on farm and agricultural lands.

Municipal Services Revenue Sharing

The request is based on full formula funding of the existing program. To properly allocate administrative costs of the program, the budget includes a transfer of a Clerk IV and a Local Government Specialist from other request units.

Local Government Assistance

Three new staff, two professional and one clerical support are requested to establish an Anchorage office, an initiative to respond more readily not only to inquiries from the scattered villages of rural westward Alaska, but also to lend the resources of the Division to the urban communities of Alaska's railbelt. Specialists assigned will be expected to have a working knowledge of applicable State statutes, local government administrative practices, and Division programs that each may maintain more regular contact with officials of the more populous cities and boroughs, respond generally to public inquiries, better coordinate with personnel of other agencies and institutions having interest in local government organization and affairs, and represent the Department, as necessary, in the discharge of its several program responsibilities.

Community Planning

This budget is designed to meet new federal program responsibilities, planning functions to be transferred from other State agencies and increasing demands for its planning services during a period of rapid state growth and development. A principal planner is requested to administer the non-metropolitan grant program to be transferred from the Division of Policy Development and Planning and to consolidate all the Division's grant management activities which involve receipt of \$290.0 in federal funds for matching grant projects with about 30 local governments. As State Coordinating Agency for the Federal Flood Disaster Protection Act of 1973, the Division becomes responsible for setting priorities for federal flood plain and natural hazard studies and for assisting local governments to qualify for subsidized federal flood insurance and federal grant and loan programs for housing and public facilities. A development planner is proposed to strengthen the Division's capacity of policy planning and planning evaluation of major resource development projects. A senior planner is requested to coordinate State participation in an interagency program to relate future land use needs of local, state and federal development agencies to sub-divisional survey plans mandated by ANCSA. Finally, a principal planner is proposed for transfer from the Department of Economic Development to perform the community economic development planning functions now exercised by that department.

Administration and Support

Two new positions are requested to provide continuing support to the Department's operating divisions. An accountant in the Juneau office will have overall accounting responsibility for Departmental programs and complying with federal accounting requirements. The fiscal section has not increased since the Department was created in July 1972 and is currently comprised of an Accounting Clerk I and III. The requested Administrative Assistant will serve as general manager of the Anchorage office and will handle personnel matters, inventory control, purchasing, contracting activities, and other administrative functions.

OVERVIEW
DEVELOPMENT CATEGORY

OPERATING BUDGET (millions)

FY 74 Actual		FY 75 Adjusted (Incl. Supl.)		FY 76 Governor's Budget		% Change FY 75 Adjusted to FY 76	
GF	Total	GF	Total	GF	Total	GF	Total
20.7	21.8	50.6	52.1	32.1	33.9	(36.6)	(34.9)

FULL-TIME POSITIONS

FY 75 Authorized	New Requested over FY 75	FY 76 Total Recommended	New Allowed over FY 75
131	45	137	6

Major Changes in FY 76:

- No pipeline grants
- Reorganization of economic development function

Majority of programmed expenditures:

Department of Community & Regional Affairs	17,213.6
Department of Revenue	7,325.1
Department of Natural Resources	5,036.5
Office of the Governor	1,545.1
Department of Commerce	1,388.6

Highlights of BRU changes (other than inflation):

- Tourism - contracting various duties to private industry
- Shared Taxes - normal increases due to increased taxes
- Plant Materials Center - increased production capability
- Local Gov't. Assistance - increased services; new Anchorage office
- Community Planning - 5 new programs to local governments
- Agricultural Land Exemption - new program mandated by legislation passed last year
- Municipal Services Revenue Sharing - increases due to population increases and new government incorporations

Over 60% of the Development Category budget goes directly to local communities and Native associations in the form of shared revenues, grants, etc. A total of \$15,781,000 in grants will come from the Department of Community and Regional Affairs, \$7,325,100 from the Department of Revenue, and \$4,443,300 from the Department of Natural Resources as prime examples. Shared revenue has increased in the past five years by 147% from \$11 million in FY 71 to over \$21 million in FY 76.

VII - DEVELOPMENT

	FY 74 Actual	FY 75 Authorized	FY 75 Adjusted	FY 76 Governor's Budget
TOTAL OPERATING BUDGET	21,759.7	48,397.6	48,986.6	33,959.8
Economic Development	2,580.2	2,700.1	2,933.7	2,685.5
Tourism	1,113.0	1,180.5	1,259.6	1,177.4
Industrial Development Services	-0-	-0-	-0-	414.1
Economic Enterprise	510.3	460.9	515.2	-0-
Administration & Support - Dept. of Economic Dev.	244.0	268.2	305.0	-0-
Small Grain Incentives	35.9	40.0	40.0	20.0
State Fair Grants	108.9	104.5	104.5	113.5
Plant Materials Center	127.6	124.3	142.3	270.1
Administration & Support - Div. of Agriculture	80.7	71.6	80.7	96.9
Agricultural Loans	77.0	79.2	92.5	92.7
King Crab Board	83.9	107.0	107.0	202.8
Business Loans	130.9	185.9	208.9	220.0
International Development	68.0	78.0	78.0	78.0
Housing Development	353.5	428.1	607.9	754.5
Veterans Loans	353.5	428.1	607.9	754.5
Community Development	18,291.1	44,455.8	44,631.4	29,626.0
Rural Affairs Commission	10.9	17.0	17.0	19.0
Revenue Sharing - Native Claims Settlement	2,162.9	922.0	922.0	4,443.3
Revenue Sharing - Municipal	8,773.3	12,929.3	12,929.3	14,113.9
Revenue Sharing - National Forest Receipts	283.9	479.0	479.0	399.1
Local Government Assistance	265.5	280.8	319.9	450.3
Local Boundary Commission	37.9	61.3	69.8	82.7
Community Planning Assistance	225.3	307.3	331.4	688.6
Organizational Grants	60.0	60.0	60.0	58.0
Agricultural Land Exemption	-0-	-0-	-0-	196.0
Division of Policy Development & Planning	207.8	286.0	286.0	290.0
Shared Taxes	5,116.9	6,390.2	6,390.2	7,325.1
Surplus Property	128.3	192.4	219.2	187.5
Rural Development Assistance	669.7	748.5	766.4	897.7
Administration & Support - Community & Reg. Affairs	236.4	262.4	291.3	325.5
Pipeline Grants	-0-	21,292.2	21,297.3	-0-
Remote Village Radio	112.3	102.6	127.8	149.3
Other Pipeline Impact Programs	-0-	124.8	124.8	-0-
Debt Service	534.9	813.6	813.6	893.8
State Funds				
General Funds	20,730.1	47,116.5	47,485.6	32,122.3
Program Receipts	83.9	107.0	107.0	202.8
Special Funds:				
Agricultural Revolving Loan Fund	77.0	79.2	92.5	92.7
Surplus Property	128.3	192.4	219.2	187.5
Veterans Loan Fund	353.5	428.1	607.9	754.5
Federal Funds	221.8	296.0	296.0	290.0
From Other Agencies	165.1	178.4	178.4	310.0
Permanent Full-time Positions	118	131	131	137

Chairman Malone requested Dr. Robert Weeden, Director of the Office of Policy Development and Planning, to explain to the committee the general approach to Coastal Zone Management under the reorganization.

GENERAL GOVT.

Policy, Develop. & Planning

Coastal Zone Mngmt.

Dr. Weeden said that the Coastal Zone program stems from the 1972 act. Specifically what it does is set forth a three year period in which federal monies are available to states for development of programs related to the coastal zone, and by that they mean the program development stage which will involve a definition of priorities a particular state wants to give to the various human activities that are stressing the coastline; trying to get a handle on resources of the coastline; trying to get local communities involved in planning. They have a three year period in which monies will be available from the federal government for defining coastal resources, problems, and planning to take care of those problems.

The amount of money available in the current year is \$600,000, which is 2/3 federal and 1/3 state. The amount for FY 76 is \$900,000. The state can use "in kind" matching activities. This means that if there are personnel in the state active in coastal zone programs, their salaries and support monies can be used as the state portion of the match. This \$600,000 is for the first of the three program development years.

Dr. Weeden explained that the federal program is not necessarily on a fiscal year basis (that is, July 1 to June 30). The state can choose any program year that it wishes to, and because activities were started under the past administration in "mid-stream" they are now operating on a system in which the federal monies come on a calendar year that differs from the fiscal year. He said that this is not really a problem but it is a bookkeeping problem. He said that they will be referring to first and second year federal money lumped together to form the fiscal year budget.

The Division of Policy Development and Planning has been designated as the lead agency for Coastal Zone programs. They will, however, be spending less than half of the money. The Department of Environmental Conservation (dealing with water quality and activities affecting water quality, solid waste disposal, industrial waste, air quality) has requested the "lion's share" of the actual monies. Dr. Weeden's office will act as an agency through which the federal monies pass. The Department of Environmental Conservation has asked for \$450,000 out of the \$900,000 for the next fiscal year. Other agencies which have already notified the office that they want to be involved are Community and Regional Affairs, Fish

and Game (which has requested a number of positions in the department to be funded from Coastal Zone monies), a very small amount to the Department of Law for activities related to the OCS question. Some monies, he said, will stay within the Division and they will be for overall administration of the program and for special projects in which a coordinated approach makes sense. One example of such a project is the identification of coastal resources -- an inventory in essence -- and this activity will be done largely by contractual arrangements with such groups as the Arctic Environmental Information and Data Center at the University of Alaska in Anchorage. There was a project started in cooperation with AEIDC and the division on regional profiles. Regional profiles are a mapping and inventory of resources for all of Alaska. They are planning six regional profiles which will cover the whole state. The southcentral profile is available; the arctic is already to go to the printers; southwestern is partially completed; and work has begun on the southeastern; so the job is perhaps 1/3 done and they hope to get that entire project completed within two years.

[Mr. Cowper entered the meeting.]

Mr. Malone asked what Dr. Weeden sees as the end result. Dr. Weeden said that they will have as thorough an inventory of resources of the coastal zone and as thorough an appreciation of human activities along the coastal zone as it is possible to get in this time frame. They will have integrated needs of transportation in the coastal zone, community expansion, environmental protection, and fish and game management. They will have a sense of priorities of all these programs, and will have a sense of what the problems are and how to tackle them. He said that they have already taken some steps, for example in the Yakutat area. They have asked for a special task force in getting a handle on some of the problems they feel they are faced with due to OCS activity. The state will be able to respond largely because they do have some money available in the Coastal Zone program. They need an inventory, appreciation of time of OCS and industrial activity, appreciation of number of people who would be involved, and land use planning in the whole city and village corporate area. Without these monies, the state would not have the funds to do anything. The Coastal Zone monies will be available not only for responding to crises, but for predicting where those problems are going to arise in the next five or 10 years.

Mr. Malone asked, then, if they would be anticipating possible changes in the environment and taking steps to preclude adverse effects. Dr. Weeden said yes. The Coastal Zone Management Act specifically says that the program must include a strong

community related element. They have to show that the state is not doing things all by itself but is using the monies to help communities develop their own capabilities in management.

Ms. Buchholdt said that she had been reading about estuaries. She asked for up-to-date information, especially in Yakutat and southeast. She also said that she hears some private enterprises are getting into business here, and she wondered what the state has in mind.

Dr. Weeden said that he didn't know what the state will be offering to help those private developers. He is not up on that problem. They do wish to use some of these estuarine areas because they are some of the richest.

Mr. Haugen asked on Coastal Zone money how much the state match is. Dr. Weeden said it is 1/3 to 2/3. Mr. Haugen asked if that will be the same for 76. Dr. Weeden said that the same formula will exist for the whole program. Mr. Haugen asked what will happen if the federal money is not released. Dr. Weeden said that then they would have to look and see if they could cut back and wait for federal money or go on on their own. However, he said that they have been given no indication that that will occur. Coastal Zone programs are among the most liberally funded federal programs. He said that the tendency is to be "very kind" to coastal states.

Mr. Haugen asked Dr. Weeden about the Growth Council, stating that there is a good deal of concern over their being no fishermen or loggers represented. Dr. Weeden said that there were a lot of people left out. The people who were appointed do represent a wide variety, however.

Mr. Gruening asked if it is correct that they are requesting that the monies for coastal management be appropriated to his division in the Office of the Governor, and Dr. Weeden said yes. He said that they have called the Coastal Zone people and they have approved the change. He mentioned that they had also requested a couple minor extensions and said they expect no problem with those.

Ms. Itta asked how this will show up in the budgets. Dr. Weeden said that \$800 some thousand will show up in contractual services under the Division of Policy Development and Planning. The same opportunity to study the requests under the divisions will exist as for any other programs. These are not sequestered funds, he emphasized. He said that Administration has approved the various programs.

Mr. Malone asked what agencies he sees as having a handle on OCS. Dr. Weeden said that the industry will have a large say, and hopefully the state will. For the time being, this would be a matter for the Division of Lands in the Department

of Natural Resources. However, the Division of Policy Development and Planning has already been asked to be involved simply because they are in a position in the Governor's Office whereby they can coordinate a variety of state activities.

Mr. Gruening asked what the plan is. Dr. Weeden said that their main hope for getting a real hold is the coastal zone planning bill which would provide the means to come up with comprehensive plans with the aid of local governments as to coastal zones and to exert pressure on federal land holders and private industrial proposals that the state feels need to be modified to meet a particular community's needs and the state's desires. The Administration, through the coastal zone bill (SB 175) will set up a land and water council within the administration which will be made up of six commissioners, at least three public members, and the Director of Policy Development and Planning. (Powers of the council listed on page 3 of the bill.)

SB 175

Dr. Weeden was asked if this council is analogous to a commission, and he answered yes. The only reason they are calling it a council is that there is already a joint state and federal Land Use Planning Commission.

Mr. Haugen noted that in the budget there is \$600,000 for a Katchemak Bay study. He wondered if it was possible to use coastal zone money for that. Dr. Weeden said that it should be. In response to further questioning, however, he noted that that would be too large a portion of the coastal zone budget to use on one project, probably. He said that the extent to which it was used to substitute for general fund money would depend on what other projects for coastal zone money are and what priorities are. The act is very permissive. In terms of type of work that should be done with the money, however, Dr. Weeden said that the Katchemak study would be appropriate. Mr. Haugen asked if he thought that for \$1 1/4 million they could get an answer to the Katchemak situation and Dr. Weeden said that he would think so. Mr. Haugen drily remarked that he thought so, too.

Mr. Malone said that he thought it was a function of time as well as money. Mr. Dawson said that as far as those funds in the 76 budget, his understanding is that those funds are to be used for baseline studies which are not directly related to Katchemak Bay, but would be adaptable to other areas than Katchemak Bay.

Mr. Gruening asked if the Council comes up with recommendations and plans for the coastal zone, does it then go to another board that will have the power to regulate, and Dr. Weeden said

yes. Mr. Gruening asked what that regulatory board will be and Dr. Weeden said that will be the Alaska Coastal Zone Regulatory Commission, referred to on page 11 of SB 175. This board will be made up of five members appointed from the public by the Governor and confirmed by the legislature. These will be public citizens, not members of the administration, and they would sit as a permanent board.

SB 175

Mr. Gruening asked if, for example, a community decided that "anything could go anywhere" would this board be viewed then as a zoning board which could overrule that municipality's decision if it was not what the state wanted.

Dr. Weeden answered that the board in question would not be the one developing the land and water use plan. It would be carrying out the provisions of the plan devised by the council mentioned earlier. He said that the conformance guidelines established would be applicable to state, federal, private, and municipal agencies and that the board would be involved with all of these in seeing to it that requirements are adhered to. The board will have authority to sue in case of violation. They would particularly keep an eye toward operations inclined towards polluting activity, such as refineries which frequently discharge significant amounts of pollutants into the air and water. In certain areas outlined by the plan as being critical (for instance, critical habitat areas outlined by the legislature and by Fish and Game -- like wetlands) the board would also have particular involvement. Permission of the board would be necessary before projects were engaged in in these areas.

In response to questioning by Mr. Gruening about coordination with the Land Use Commission, Dr. Weeden said that they feel there has to be a state board expressing the state's interest in land and water use planning purely from the state's standpoint rather than relying on the federal-state board, in which the state is already involved in compromising with the federal government even before having come to an opinion on their own. He said that they will have to continue to cooperate with the federal government as land owners in the state, but he feels it is very important for the state to be aware of what the state wants.

Mr. Gruening asked if the setup as to the council and board is subject to federal approval under the federal coastal zone management. He wondered to what extent there is federal control over what the state can do. Dr. Weeden said that the bill they have proposed (SB 175) meets the planning process requirements for the state.

In response to further questioning, Dr. Weeden said that it is his understanding that when the program has been approved by the federal government, then they also are required to meet Alaska's requirements, in this case, the requirements of the Alaska Land and Water Use Plan. If they don't, it is the burden of the federal government to show why they should not have to follow the state plan.

Mr. Gruening asked if this legislation is close to other states. Dr. Weeden said that he couldn't really answer that question, but he did say that Vermont, California, and Florida are states that have approached this in somewhat the same way.

Mr. Malone asked if they anticipate next year's budget to be the same level as the \$900,000 they anticipate in FY 76, and Dr. Weeden said yes. He said that there is a three year period in which the state has to undertake program development activities. This is essentially a planning process. Then the program continues in an implementation phase. There is just a difference in the way in which the federal dollars can be spent.

Mr. Malone asked if the federal match will be the same, and Dr. Weeden said yes, as far as he knew. Mr. Malone asked if the state could anticipate, if they were to take over this program, going up to \$3 or \$400,000 in general funds and Dr. Weeden said yes. He said, however, that there is the obvious option of implementing the program with less state funds, and so, of course, lowering the federal funds, also.

After some brief program discussion, the Chairman requested more material giving an idea of just what the coastal zone management planning program is. Dr. Weeden agreed to provide such information. He said he couldn't at the moment and, in fact, they have just hired a person to head up and coordinate the coastal zone program and he is now in Portland talking with the National Oceanic and Atmospheric officials about Alaska's program. He remarked that further information will be useful to him, too.

Mr. Malone referred to the environmental assessment in the Beaufort Sea area, and asked how that fits in with coastal zone management. Dr. Weeden said that they are using people from five or six agencies to do this work. The people are funded in a variety of ways, including some with coastal zone funds.

Mr. Haugen asked how soon they expect a report. Dr. Weeden said that they are aiming at a deadline of the end of this month for the completion of this report. It is a "quicky"

job, he said, and they know the decision has to be made.

In response to questioning by Mr. Malone about the activities during the current fiscal year, Dr. Weeden said that he had information which he would have prepared in proper form to submit to the committee outlining functions and amounts of federal and general funding.

Mr. Malone mentioned that development of terminal port facilities in Valdez is one of the things happening in coastal zoning. Noting that the state, under Pipeline Surveillance, has a contractual agreement with Alyeska for reimbursement for certain state services along the line, he asked Dr. Weeden if he would anticipate this reimbursement being extended to include more than just the pipeline construction. His question was, basically, could some Alyeska money be used for this part of coastal zoning. He wondered if there would be a difference in application of reimbursement when it came to the coastal zone. Mr. Dawson said that he was not aware of this having been considered, although he did not know why. He said that he thought possibly the Pipeline is considered an extraordinary circumstance and only the pipeline construction itself would be handled this way.

Mr. Malone asked Dr. Weeden what he sees as critical areas in coastal zone management throughout FY76. Dr. Weeden said that he sees the major areas as those being impacted by OCS activity - the Gulf of Alaska, roughly Kodiak to Yakutat, and the Arctic Coast require the most urgent attention.

Mr. Malone noted that surely the entire Gulf is not critical, and said that he thinks the whole area of Prince William Sound needs more attention. Dr. Weeden agreed that the whole area from Kodiak to Yakutat is not uniformly urgent, and that there are some critical areas -- Lower Cook Inlet, Prince William Sound, Katchemak.

There was brief discussion of communities and areas involved and impacted by OCS leasing. Dr. Weeden mentioned that in Cordova people are more concerned about the Pipeline related matters than OCS leasing.

Mr. Malone said that if the committee could have a program budget on planning and management for coastal zone management, and including handling of OCS matters, they would be able to get a clearer picture of what is involved. He asked if contracting agencies have something more to go on, something developed in writing, on which they base their requests.

Dr. Weeden said that what they have done normally is ask

themselves what kinds of responsibilities they have in coastal zoning and what it would take in terms of personnel to meet those. Then they came up with that number of positions - Department of Environmental Conservation, for example, had a large number. Mr. Gruening asked to have those lists of personnel made available to the committee.

Mr. Malone referred to public information mentioned in the program element and he wondered how this information is going to be used. Dr. Weeden said that it will be used to urge people in communities to appreciate the problems both in a very general sense and also in a detailed sense, and to help them understand how they can respond and cope with the situations. He said that they are thinking about films, and are taking a look at Valdez as a place that has had two "earthquakes", one physical and one economic and pointing out factors from that perspective. Part of the language of the coastal zone management act requires such public meetings.

Meeting adjourned at 4:48.

ADJOURNED

Administration of Justice and the review of the Court System was presented by Bob Grogan, Fiscal Analyst. He first handed out an overview of what functions in the system receive what portion of the funding which looks like last year, but has grown about 30% over last year.

ADMIN OF
JUSTICE

The Total Court System budget: actual authorized last year was \$10,300,000; full request will be roughly \$14.9 million which includes all different components of the system.

Total
Budget

Supreme Court authorization of \$969,000 will go to a little over \$1 million with no new positions.

Supreme
Court

Trial Courts has the majority of money and the heaviest growth. From \$9 million to almost \$11 million with a significant number of new positions.

Trial
Courts

Administration is going from about \$1.5 million to \$2 million and the new positions requested are from 48 to 66.

Admin.

Municipal Courts is a new idea; a new request proposed, and will create 24 new positions.

Munic.
Courts

Mr. Grogan pointed to the analytical statements which were included because it is a good justification; they have taken certain courts in the State and put them under the Alaska Court System umbrella. The Chairman commented the justification is that the constitution provides for a unified court system. Mr. Grogan remarked that there had been administrative problems because people working in the Court Clerk's Office wondered who they were working for. Mr. Gruening related that the municipal courts have not been reimbursed for full costs for years. The Chairman answered that apparently they are going to attempt to get full reimbursement so they would charge everything on State charges so the State would pick up the bill anyway.

Mr. Grogan read a portion of the Anchorage Times, "Administration Commissioner Andy Warwick said the court system is considered a separate branch of government, and 'for us to make recommendations on their budget would be presumptuous.' Any changes in it are at the discretion of the legislature..." He told the Committee that the Court System budget came over without any Form 7 or any other document requested. He pointed out the chart that shows sort of a history of Court System appropriations--the \$14.8 request does not include salary increases; with the existing pay raise included and allowing for one more at 7% a figure of \$15.4 is a better guess. Mr. Grogan pointed out the comparison of Western/Mountain States Appropriations for Judicial functions, emphasizing that this does not indicate the level of service being provided; that what we call a Trial Court activity is handled on a municipal level in other states; this is just what they spend out of State funds; for operation.

In addition to this request, they have also requested \$250,000 in the pipeline budget request. There is no documentation at

Last November or December they had a revised program passed for \$135,000 for pipeline funds.

Mr. Grogan listed the latest information on the Capital Budget, totaling \$4,149,000. The court system in capital budget requests \$730,000 for remodeling and improvements for old buildings. The estimated costs of renovation and equipment in the new State building can be through using funds on hand; or from the request.

Capital
Budget

The Chairman asked for an explanation of the "storage" item in Barrow. Mr. Grogan said the building was designed for 50 pounds per square foot and the floor is sagging. Mr. Guy said it was a very overcrowded space. Mr. Cowper said they held one trial in the library last December--that the district court is about 1/2 the size of the Committee room. The district population is about 13,000. It was commented that this could be storage for the material to build the new building.

The biggest increase under Trial Courts is contractual Services. That is the rent. Page 105 in the black book gives a complete breakdown of actual rents. The annual rent in Anchorage is \$1.1 million which does not include parking facilities which is another \$63,000. Maintenance on Anchorage is \$404,000; insurance is \$48,000. The total to cover everything in the third district: Annual rent \$1,300,000; Maintenance \$700,000; Insurance \$65,000.

Trial
Courts

In Fairbanks the big increase is because of a new building, which shows up as rent because it is ASHA instead of debt service. Page 116 shows the rent schedule for the Fourth District; not as much as the Third District. The Chairman pointed out that most of the increase is between Juneau and Anchorage; most for contractual services; one-half in Juneau.

Mr. Grogan remarked that it was important to know about the completion status of each building because funding can be backed out of the budget to the extent it is ~~not~~ completed on time.

(Mr. Haugen left the meeting).

Mr. Gruening asked who picked up the tab if the building was not occupied; ASHA pays for bonds, rent should begin when they move in. Mr. Grogan said there is not real good control because its not contractual services; the money is pretty free to be moved around from rents. There is less control in terms of professional services because they are not on standard file of the rest of the State agencies. There has been an attempt to clean this up; but it is impossible to tell how many positions are vacant unless they tell you. They have been requested to get on our system or on a similar one.

Mr. Brown suggested that this might be a budget that they expected to have cut by the Administration before it got here. The Chairman remarked that the Committee could screen it as well or better than the Budget Review Committee. Mr. Grogan said that prior to two years ago the request was grossly overstated and the Review Committee would cut it and the Finance Committee would cut; there has been an effort to clean it up in the last two years and it makes more sense than it has before.

Mr. Grogan commented that it makes one wonder that if no one is looking at the court system; if they are not going to review it maybe the court system will not watch their spending. Mr. Cowper said the Court Administrative Offices is making some effort to get things in line; he has made the rounds of the Clerk's Office; has down-graded some employees and let some go, but this is recent and still going on. He suggested it might be in order to bring this man here; Susan Burke would be a good one to talk to--she is of the opinion that everyone is paid too much.

The Chairman announced they would meet after the session this morning and again at 2:00 p.m. this afternoon with the Administration of the Court System.

At 1:30 p.m. this afternoon there would be a presentation on Paralytic Shellfish Poisoning. Mr. Gruening asked if they wanted any money--was told yes--and quipped "how many clams do they want?"

The meeting was recessed at 9:55 a.m.

RECESS

AFTER RECESS

11:35 a.m.

All members of the Committee were present at this time. Others present were Representatives Keith Specking, Charles Parr and Fred Brown. Also attending was Bob Grogan, staff Fiscal Analyst.

PRESENT

The fiscal note of the Ombudsman bill was brought up for action. The Chairman asked what the intention of the Committee was if it came to funding this position in the budget or if they came in with a supplemental. He said it would not be necessary to have the Deputy Director appointed the first year, and he could ask the staff to prepare a revised fiscal note.

Ombudsman
fiscal note

Mr. Duncan commented that if the bill passed on the last day of the session the Ombudsman could not be appointed until the next year. He requested an alternative fiscal note drawn up to compare. The Chairman agreed to request it.

At the Chairman's request, Mr. Grogan continued with the Court System budget, discussing the level of service being provided around the State. He said he had several questions regarding what sort of effort was being made such as in the Human Rights Commission and the Violent Crimes Compensation Board. Also he said that anything occurring in the Justice category that is not mentioned specifically falls in Miscellaneous.

ADMIN OF
JUSTICE

(The Chairman left the meeting).

Mr. Grogan pointed out that two times as much is spent in prosecution as the Public Defender; suggesting this might be an area to look into in terms of structure or priority. Mr. Gruening asked how many people were prosecuted; there is

overlapping; the Court System is asking for money for that portion and indigency determination is asking for \$40,000 to help them out. Mr. Grogan cautioned them not to forget to include rehabilitation and confinement and probation are all in the Corrections sector. Mr. Grogan said that the Corrections budget is technically good--it is easy to see what is going on in the agency. Public Safety is technically not as good; it's more difficult to tell what is going on. There is a lot of pipeline activity in apprehension and support. Mr. Grogan pointed out that it was easier to make big changes in agencies with big bases such as the Court System budget. Corrections

Mr. Brown remarked that at the end of FY 75 because of a change in the law, some of the things that were part of the Public Defender's duties went into the Court System. Only one party can be represented by the Public Defender and they cannot represent the other, and have to appoint another attorney for him. A change in the law now bills this directly to the Court System. Mr. Grogan said that this would probably be about \$10,000 in this huge budget.

The only comments on the level of service would be that there has been a difficult time getting statistical data to get a handle on this; they had asked for case load information; there are new positions this year. Other states will supply this, but we don't have this type of information here in Legislative Finance and apparently the administration doesn't have it and would not use it if they did. It is difficult to evaluate this program because of the reluctance to provide this information. There has been money for data processing systems promised.

Mr. Brown asked the other attorney members if that kind of material used to be prepared and sent out--disposition of cases processed in each judicial district. He thought it was just criminal stuff which came from presiding judges but maybe it is still prepared. Mr. Grogan thought he was referring to case load statistics received about three years ago. He said that data was not very good according to the Court System and they stopped sending it. He felt it was overstated in some respects because traffic cases were not separated.

Mr. Specking remarked that it has been a long standing problem getting statistics to the Committee meetings on what goes on in the Court System. Other agencies provide it; the only way to handle the Court System and make them responsible is to get their attention. We might have the courage some year to reduce their request then they might be more cooperative. Mr. Cowper commented that this may be the year.

Referring to his comparison chart, Mr. Grogan mentioned that one gets what one pays for in operating a court system. Regardless of what you appropriate, you can operate a court system. It's mostly a matter of the level of service desired. He told Mr. Gruening that other agency's growths have been rather erratic, unlike the Court system. It was \$3.7 million in 1970; over \$15 million this year; perhaps there are some with greater growth rates, but this one is dramatic.

He did not have information on 1960 to 1960's budgets.

ADMIN OF
JUSTICE

Mr. Specking said the first question that comes to his mind, referring to the comparison chart, is are we actually more criminal than other states? Mr. Grogan said the only reason for the chart was to show what states spend, it does not indicate the level of service. In most cases the lower figure is because the tab is picked up by the municipalities. He said it was natural that we would spend a little more than the other states.

Mr. Brown remarked that all other states have justice systems in their counties; that we have nothing on the borough level. We have a unified court system that takes the place of county level systems, and also district judges sitting as municipal judges, with possible duplication. We have the only Supreme Court that has resident Justices in three towns; this is not reflected in other states.

Mr. Gruening mentioned the cost of living and economy of scale; in territorial days there was a lower level of service. To get a realistic picture we should look at another department; this may not be an accurate picture.

Mr. Grogan didn't remember if he asked Hawaii for a comparison; he did not get answers from some states, and only listed the ones who responded. He told Ms. Buchholdt that he also asked for information such as the number of troopers in the state, because he felt a comparison of other areas was important; he will bring a comparison of other agencies.

Mr. Brown suggested they address themselves to increased contractual services--rentals is the largest single increase. He asked Mr. Grogan what were the other big increases in the budget. Mr. Grogan replied that personal services had increase from \$6.853 million to \$7.717 million without any pay increase figured in. This includes 24 in the municipal level and the others scattered throughout the system. also includes 19 temporaries being converted to full time positions to give them the advantage of benefits so that tab is not too large.

In answer to Mr. Gruening he said that the bulk of the new positions would be in Anchorage particularly once the municipal court system is taken on. Mr. Gruening requested to know what the new positions were with that taken out.

Mr. Brown asked if there was very much they could do about the increase of payments to ASHA: and was told to view the completion date of some of the projects. The rent could be reduced where the building would not be occupied for even a portion of the year.

Mr. Specking pointed out that this would really be shifting to another area since someone has to pay either rent or construction costs. On a long term we might have refinanced those things and saved some headaches.

The meeting was recessed at 12:07 p.m., to resume at 2:00 p.m., this afternoon.

3/5/75

AFTER RECESS

1:40 p.m.

Representatives Malone, Gruening, and Haugen were present. Also present were Representative Specking and Dr. Richard A. Neve'.

PRESENT

Chairman Malone called the meeting back to order and introduced Dr. Richard A. Neve', Professor of Marine Science, Institute of Marine Science in Seward. Dr. Neve' was present to testify in support of the the Paralytic Shellfish program.

EDUCATION

U of A

Dr. Neve' presented a report to the committee on activities over the past year. He presented encouraging evidence on the progress they have made both in developing a color test on toxins and a fluorometric test. (Copy of progress report in Education (U of A) category file) He testified that they are very close to breaking through with testing that will be able to be modified for harvest boat operation. He mentioned that the fluorescent technique will be adaptable for harvest boat operations. He said that what they are looking for is a "cookbook" test -- something that will demonstrate on site whether the resource is good or bad. This will have to meet Food and Drug Administration standards. They do have a quantitative shore test now that is much more rapid than the mouse assay. The colormetric test is analogous to what takes place in all hospitals by law. They use a dip stick for this guanidine testing and this is an acceptable procedure which he thinks would meet FDA standards. He said that there is some unofficial comment by FDA indicating that procedures would be acceptable. The state health agency could very likely be one testing agency within the state, and for the required testing outside they could utilize laboratory service in the State of Washington, which has considerable interest in developing this kind of testing, also. Their testing would provide validation of Alaska's test.

Organized
Research

Institute
of Marine
Science

[Mr. Duncan entered the meeting.]
In response to questioning by Mr. Duncan, Dr. Neve' said that he is asking for one more year of funding. They will be zeroing in on the colormetric test, and Dr. Reichardt at the University of Alaska will continue work on the fluorescent testing.

Dr. Neve' said that one last significant feature of the color-metric testing is that they have used their procedure on toxic and non-toxic clams and on non-toxic they get no color reaction. On the toxic they get colors all over the chart, but not any particular color. It is significant that the non-toxic clams have not produced a color. He said that that is very encouraging.

Mr. Haugen suggested that perhaps they could get the industry to participate in this project since it appears they are getting so close. Dr. Neve' said that he is sure there is room for some overlap, but his concern is before getting the industry "cranked up" they will have to confront FDA. FDA, he mentioned, has been very harsh on Alaska. Although they have eased up on razor clams, it is butter clams that the industry is most interested in and that is the largest resource.

[Mr. Guy entered the meeting.]

Dr. Neve', in response to questioning by Mr. Gruening, said that there are some areas of the state that are always toxic, for example, Porpoise Bay. He explained that, contrary to popular opinion, the red tide is not really directly tied to toxicity among the clams. Clams hold the toxins for as much as two or three years after exposure.

In response to a request by Mr. Specking, Dr. Neve' explained the mouse assay currently used as a test of toxicity. Without elaborating on it in these minutes, it is sufficient to say that the procedure, which involves injecting toxins into live mice, is time consuming, costly (mice are shipped generally from Golita), and hardly adaptable to harvest boat testing, although it is an accurate tests in the hands of a skilled technician.

Mr. Malone inquired about the funding level of the program. Dr. Neve' said that it was \$30,000 for the first year, and because of the boat problem they are asking for \$40,000 for this year. He mentioned, referring to the fluorometric test, that it appears that with a 110 volt converter and blacklight, testing on a harvest boat will be feasible.

Mr. Gruening asked if there is a commercial market for mussels, and Dr. Neve' said that it would take a "hard sell" to educate people in this country to eat mussels, although in other countries they are not only harvested but cultivated. The immediate market, however, is for the butter clams. Razor clams should be freed up for market by FDA very soon.

[Ms. Itta entered the meeting.]

There ensued a discussion of ways to protect oneself from clam poisoning if one is determined to eat clams at this time, and a description of the symptoms of clam poisoning; however, that is superfluous to these minutes. Following that discussion, Mr. Malone thanked Dr. Neve' and Dr. Neve' and Mr. Specking left the meeting.

There was a brief recess at 2:05.

RECESS

AFTER RECESS
2:10 p.m.

At this time all members were present with the exception of Representatives Naughton, Cowper, and Haugen. Also present were Representative Parr, Mr. Art Snowden, Administrative Director of Courts, Richard Barrier, Manager of Fiscal Operations, Budget and Management and Legislative Finance staff. Shortly after the meeting reconvened, Messrs. Specking and Brown entered the room.

PRESENT

Chairman Malone called the meeting back to order, announcing that the committee would now begin hearings on the Court System portion of the Administration of Justice Budget.

ADMIN. OF
JUSTICE

Mr. Snowden said that there are 75 positions in the budget that look like new positions. 20 of those are upgraded from what are now part-time employees who work full time. Increase will be just for the cost of benefits. He said that all these employees have been employees for three years. Another large group (around 30) are city employees throughout the state right now. He said that they believe city courts are unconstitutional since the Alaska Constitution calls for a uniform court system under the Supreme Court. He said that it is difficult to run an integrated system when the Court System has no control over those city employees. He said that if these employees are taken over under present legislation, the cost will be nothing. However, he said that there is a bill submitted which would delete the section of Alaska Statutes requiring city payment. He said that the Court System is supporting this bill. The thrust of his statements, at any rate, is that the Court System is really only asking for 25 new employees. He noted that they have had no new employees for two years. They didn't have new employees last year because they felt the impact of increased caseloads due to personnel increases in Public Safety and the Department of Law would not really hit the Court System for at least a year. He said that this 25 position requested increase is not in response to Pipeline impact.

COURT
SYSTEM

General

Giving a program overview, Mr. Snowden said that they are trying to increase services to the bush. That is one of the major objectives of the Court System this year. There is a \$50,000 request for studies in the Supreme Court, and one of those studies will be an oral history study. He said that they have talked with the University of Alaska and other people. The justification here is that Alaska is the only state that still has the capability of doing a study of the oral history of the development of the court and judicial system of the

state. Alaska can still do this, since many of the people involved are still alive. This is considered a very important project. Cost will be about \$30,000 and it would be a contract with the state of Alaska.

Continuing, Mr. Snowden stated that a lot of the budget increase is due to increased ASHA costs, over which the Court System has no control. They are just told by the Department of Administration what their cost is. Also, salary increase permitted by the legislature for all state employees have brought about increased costs.

With reference to the Court System's budget process, Mr. Snowden said that Mr. Barrier prepares the budget, and it is then reviewed both by Mr. Snowden himself and by the Supreme Court.

Mr. Snowden explained that they have marked those items they consider maintenance as opposed to changes and increases in service. He said that they could do without the change items, but emphasized that they do feel they are very important.

On the proposal that the municipal courts be integrated with the rest of the court system, Mr. Malone said that although Mr. Snowden just testified that the cost is 0, but the cost in the budget statement is \$340,000. Mr. Snowden said that that is because they are assuming that the legislature will amend the statutes. Mr. Barrier said that in the same budget document there is an offset from the cities. He explained that under the present statute the municipalities would have to pay the state back in unrestricted general fund.

HB 70

Ms. Buchholdt asked if taking over the municipal courts would require additional statutory enactments, and Mr. Snowden said no. This is something that the Supreme Court has mandated.

Mr. Gruening said that he and Mr. Cowper introduced HB 70 which is in Judiciary now and will accomplish what Mr. Snowden was talking about in terms of the state taking over the cost of these employees. He said that there has been question as to how much in the past the cities have actually paid.

Mr. Barrier said that historically the cities have been charged for "judicial services", since statehood. They have always charged them for judge time, courtroom time, commodities, etcetera. They have paid \$100,000 to \$150,000 per year. This is in addition to their running their own little financial or clerk's offices. What the state would be picking up is that additional cost. If the statute is revised, the state

will be paying that and whatever it is taking over. Mr. Snowden said that they do not believe that the state has been fully paid for municipal services. Without statute revision there will undoubtedly be very costly litigation over what expenses the state will pay and what the city will pay. However, he said that there are large corporations, including regional corporations, who are involved in judicial cases regularly and they are not charged by the state, so why should the cities be charged?

Mr. Gruening asked if the municipalities are now saying that it is unconstitutional for them to have to pay, and Mr. Snowden said no, because the statute presently says that there will be payback. The mandate for the courts being taken over by the state is in Administrative Rule 41(e).

Mr. Snowden repeated that they are really only talking about 25 new employees and they have received no new employees in over two years. If they got these employees, it would mean an 8% increase in personnel over that time, and they feel that with the Pipeline and everything else that expansion of the Court System is necessary. Demands on the Court System are great.

Mr. Malone asked about their Pipeline request of \$250,000, and what that was for. Mr. Snowden said that the detail papers will be in the legislature Tuesday. They are thinking of amending the request to over \$300,000 to fund a judge at Barrow. The problem with that is that they have a capital request in for a courthouse in Barrow and they realize how "strapped" the state is. They have discussed going in and leasing space from existing corporations by putting out bids and having them build a courthouse which the Court System would then lease back at a rental rate for five years with a 5 year option to buy. They have done this at Palmer and it was very successful. He said that a new courthouse in Barrow will cost over a million dollars. If they could lease it back at approximately \$50,000 it would take 20 years to catch up to that cost for the state. If they took a lease rental, 10 years would put the state in a much better position than 5 years. He said that they have asked the Supreme Court about this and they think it is feasible. They have a request for a Bethel court house and may do the same thing there.

Pipeline
Impact

Ms. Itta noted that in their capital improvements budget they have an appropriation for the improvements to the new Anchorage court building, and she asked what those are.

Capital
Budget

Mr. Snowden said that there is a problem with the ventilation system which then causes problems with the doors they have

installed, and the doors do not lock properly. Therefore, there has been quite a bit of theft in the building. They have lost around 1,000 taperecorders, for example. They feel that by correcting some of the problems in the building they will be able to secure it better. Mr. Barrier said that this is basically finishing the job that should have been done in the first place. He didn't know why the contractor wasn't liable, but the Division of Buildings says that the Court System must make the change, and they are the ones responsible for overseeing the job.

Ms. Itta then asked about the storage addition in Bethel. Mr. Snowden said that they remodeled the court house in Bethel so that it is much more usable. They have a superior court judge who goes to Bethel 10 days a month. This would provide for a safe to store vital documents and library documents, and would be contingent on the legislature not approving their capital request.

Along the same lines of capital improvements, question was raised about \$130,000 for the Juneau court building plaza. Mr. Barrier said that they are at the end of their project funds. This \$130,000 is put in at the request of the Division of Buildings. It is largely for exterior work, like a paved area, rocks or grass, landscaping, etcetera, so that the place does not become a "mudhole".

Mr. Snowden said that these costs are sent over by Administration; it is something that they have control over and the Court System has no say about. They mandate ASHA costs and other payments in these areas and the Court System has to accept them. They are actually making up the Court System budget in these kinds of things.

The question was raised to what extent other requests in the budget are based on the expectation of not having capital requests approved. Mr. Snowden said that the only loose money is in Bethel. That is the only duplication.

Ms. Buchholdt asked if there is any operating money in their budget contingent on their capital request being turned down in Barrow, and Mr. Snowden said no.

In response to questioning by Mr. Malone, Mr. Snowden said that they do not even know if there are people interested in building to lease in Barrow and Bethel. He said that they are hoping to interest one of the regional corporations. If there are people interested, then they would have to come in with a small supplemental in this fiscal year for the rental because they will be looking at a time lag even if

they have interested someone in building. He said that he is dispatching someone immediately to see if this is possibility. He mentioned that they would expect a reasonable lease rate. For instance, in their Palmer facility, which was built to their specifications, they are paying 66¢ per square foot.

Mr. Malone said that the question had come up in an earlier meeting about whether the ASHA buildings were going to be completed on schedule, and if not, would all the request for rentals be necessary. Mr. Barrier said that every year the same issue comes up. The budgets are prepared in the fall based on the projections by Division of Buildings. Then the delays come about and at the end of the session, the Court System requests a memorandum from the Division of Buildings figuring how much can be deleted from the budget for rents. Last year they dropped around \$250,000 - \$300,000 for that reason. He said that he expects two or three late completions again this year. When they know the figures, they will amend their budget request.

Mr. Malone said that the biggest single increase in the budget for the Court System is attributable to contractual services. Mr. Barrier said that half of that is attributable to the Juneau building.

Mr. Snowden said that Kenai and Valdez are opening this year, and Sitka is about ready. It has been the policy of the Court System to come to the legislature and have them delete appropriate monies for the buildings.

Mr. Gruening asked when the Juneau Building is scheduled for occupancy. Mr. Barrier said that it was scheduled for October, but has been postponed until maybe the beginning of July. He said that he has been told informally that the Governor is considering moving his offices into the new building. If he does, that would be taking Public Safety's space. Mr. Snowden said that if that does take place, and they delay the rest of the building to go in and renovate the Governor's space, this could mean even a later date of occupancy. Mr. Barrier noted that the ASHA payment will be due July 1 regardless of whether or not the building is occupied because the bonds have to start paying in. There is a set payback schedule. However, Mr. Snowden noted that there will be less maintenance cost, the later the buildings "come on board".

Mr. Gruening asked if their share of the building is committed, and asked what the extent of that commitment is. Mr. Snowden said that they are committed to move in. They don't know how many floors they will have. Legally, the Department of Administration could say that they are taking several floors.

In response to questioning by Mr. Gruening, Mr. Barrier said that for twenty years they will be paying \$1.87 per square foot, but in 20 years the state will own the building. It is a very expensive form of financing. He said that all of their buildings are ASHA buildings with very high rents. Mr. Snowden said that if the Pipeline brings in very high revenues to the state, the state might want to consider buying ASHA out.

Mr. Malone asked in the Juneau building has the final decision been made about elevators for the judges. Mr. Barrier said that he is sure that is out. If there is a second elevator it would be for security -- i.e. movement of prisoners. It is designed so that there is an elevator shaft should they later choose to put in this second elevator.

Mr. Malone asked about the Pipeline request, and Mr. Barrier said that they haven't given it to the administration year. The Supreme Court just met last week to decide whether to increase it by adding a district court judge at Barrow who would serve Barrow, Prudhoe Bay, Wainwright, and the rest of that area.

Mr. Snowden said that they expect the budget to be in this coming week -- probably at the end of the week. He said also that he got a call from Alyeska that they would like a roving judge or magistrate to serve the camps because of the terrific problems they are facing. They said that they would be glad to have a company person act as a magistrate. He said that he turned them down. Mr. Malone asked if they said they would pay for this, and Mr. Snowden said if it was a company person. Informal committee response to Alyeska's proposal at this point was one of almost amusement at the idea of such a wedding of industry and the judicial branch. Mr. Snowden's decision was applauded.

Ms. Itta asked about the caseload in Barrow. Mr. Snowden said that it is 43.8 filings per month at this time. However, if there is going to be a trooper added in Barrow there will be arrests and the caseload will obviously increase.

Mr. Haugen asked where the equipment for the new court building in Juneau is budgeted. Mr. Snowden said that it is in their last year's capital budget.

Mr. Haugen noted a \$40,000 item in the budget for the Bar Association. He asked what that was for. Mr. Snowden said that the Alaska Court System and in fact the Supreme Court under the unified bar concept has the responsibility of overseeing the Bar. One of the problems is in disciplining attorneys. The Admin.

The Alaska Court System has the obligation to make sure the Bar provides discipline. Obviously the Court System does not have the money to do this. They have mandated the Bar to handle grievances and complaints, and the Bar has requested that the Court System request this sum on their behalf to defray costs of investigation and proceedings. The Court System has told the Bar Association that if the legislature does not give line-item approval for that item, they will not take it out of the rest of the budget.

Mr. Malone asked whose responsibility this is if it is not the court's. Mr. Snowden said that disciplining would not be done by the court unless something is brought before a judge. Most of the complaints do go to the Bar Association. They investigate and take needed action. However, the Bar is in great financial difficulties and already have very high dues.

In response to questioning by Rep. Brown, Mr. Snowden repeated that if they do not get money from the legislature they will not be able to give the Bar Association any money.

Mr. Brown asked if the Court System would take part in investigation of complaints, and Mr. Snowden said that they have been. By the end of this year they will have funded \$20,000 for the Bar, which they have taken away from other projects. Now their feeling is that this should be put in as a line item figure. If the legislature deletes it, then the Courts will take that as legislative intent that they are not to go into this.

Mr. Gruening requested a breakdown as to how the Bar Association has spent its funds. Mr. Snowden referred that to Mr. Compton, who was present representing the bar.

Ms. Itta asked what the dues for a member of the Bar Association are, and Mr. Gruening said \$175 a year. Mr. Snowden said that there are 700 members in the state. Ms. Itta said that she noted in the explanation given for the \$40,000 request that that will be used to investigate alleged misconducts by members of the Bar, and she asked what kind of cases those would be. Mr. Barrier said that primarily they are if a client is dissatisfied with the service of an attorney, felt s/he was overcharged or that the attorney did not handle the case properly. The client would then bring a complaint to the Bar Association who would investigate it.

Ms. Itta asked if the Bar Association takes care of that. Mr. Snowden said that they have to have investigation before taking any action. These could be conflict-of-interest cases, not representing the best interest of the client, incompetent defence --

there are several types of complaints that could be made.

Mr. Parr said that he thinks someone has to "get off the fence". If the Bar Association is to govern itself as a self-regulating body, it ought to pay this itself. If the state is going to pay, the Bar Association ought to lose some of the privileges it has. He doesn't feel that it makes much sense the way it is run now.

Mr. Compton, legislative counsel for the Alaska Bar Association, was invited to testify. He said that he would present the committee with information on some of the problems that have been alluded to -- for instance, where the Bar expenses go. The question of who disciplines is really an easy one to answer, he said. The Supreme Court has the ultimate control over admissions and disbarment. In a state with an Integrated Bar Act, the Court and the Association work together very closely and the Court has established rules and by these rules the Bar Association has certain responsibilities. One of these is investigation of complaints and disciplinary matters. They are also responsible for follow-through. In the past this expense has been borne exclusively by the Association, Mr. Compton thought, but last year the Court gave them \$20,000. The request for the coming year is \$40,000 to be budgeted as a specific line item. This would be for a full-time attorney, part-time secretary, travel and expenses. Not all cases, he noted, result in filing of complaints. A number of problems, equal to about half the number of complaints actually filed, are solved before they get to that stage. They still, however, take up time. Findings can result in reprimand, suspension from practice, or disbarment. Over the years there has been some dispute between the Association and the Court as to who could do what. This led, at one point, to appointment of a panel from outside the jurisdiction to mediate this dispute. At the present time, he said that he believed things are fairly in hand and the Bar Association hopes to seek some amendments under the Uniform Integrated Bar Act to provide better definition and separation of duties.

Mr. Snowden said that they are trying to iron out the problems of the division of those functions so that jurisdiction of the agencies can be worked out.

Mr. Brown said that he doesn't know if the Court System or the Bar disagree, but he said his understanding is that there has been an uneasy truce between the two. He spoke of the need for improving procedures for prosecuting attorneys. He felt there has never been adequate attention to grievances filed and he was sure that was what the \$40,000 request is for. He heartily supported the request.

Mr. Snowden said that he wished to go on record as saying that the Court System fully endorses this request, also, and thinks it is necessary. He said that proper discipline of attorneys is in the best interest of the state.

Meeting recessed at 3:07 p.m.

RECESS

AFTER RECESS
3:25 p.m.

Chairman Malone called the meeting back to order. The committee continued its review of the Court System budget.

Mr. Malone asked how the Judicial branch was able to overstep the Governor's Review Committee. Mr. Snowden said that they are a separate legal branch and the Governor submits his budget without reviewing their budget; they don't feel it is proper for the Governor to change the Court System budget unless there are tremendous problems. They feel that it should be submitted intact.

Mr. Barrier said that they did have appointments to meet last year and this year, but Mr. Warwick told them he would be willing to send their budget intact unless there was something completely out of line -- so there is some review. Mr. Snowden said that he did not feel they should be subject to two cuts. The Chairman read the newspaper clipping quoting Commissioner Warwick's statement on the subject. Mr. Barrier said that it would be presumptuous of the administrative/executive branch to review the judicial branch's operation.

Mr. Barrier said that there is a lot of money in increases in this year's budget; a lot of this is due to program changes. They are trying to present things as honestly and clearly as possible, without "hiding" any dollars, without manipulating the figures.

At the request of the Chairman, Mr. Snowden described the process by which they make their budget decisions. Beginning at the district level, each presiding judge and trial court Administrator in each of the four districts decides what their needs are and their staff needs. They submit their requests, which are compared with the former year's expenses and they are either approved or denied after Mr. Barrier meets with these people. After discussion with Mr. Snowden, adjustments are made and then the budget goes to the Supreme Court for review; then to the Executive Branch who meet with Budget and Management. After review with them, the budget is submitted to the legislature. Mr. Barrier said that the biggest problems seem to be over positions.

[Mr. Specking entered the meeting.]

Mr. Brown questioned whether or not it was "presumptuous"

of the Executive branch to review their budgeting when there are so many items that the administration puts into that budget. Mr. Snowden agreed that they do have mandated costs going into their budget, but that he has requested submission of numerous pieces of legislation to take those mandated costs out of their budget. He said that his goal is to get all superfluous matters out of the budget so that in the future, the budget review will only have to do with court functions.

The Chairman asked about the system of reporting expenditures. Mr. Barrier explained that they are basically the same as the Executive branch, handled the same as other agencies, although they do have more independence in how they use their money than do other agencies. They hope to have forecasting methods to tell where they are currently in their expenditures, as opposed to where they were two months ago.

The Chairman requested information on what they were doing with automatic data processing. He said that he had sent a letter requesting this information but had received back only an acknowledgment of the receipt of his letter. Mr. Snowden said that their annual report will be sent to the legislature around mid-April and will contain some of this information. The Chairman asked about the \$50,000 for the automatic data processing, and particularly about the \$20,000 for the criminal information in the Alaska Justice Information system (AJIS). He was told that their manual system did not provide a great deal of information, and if they don't go under the AJIS, they will lose \$2 million because of the LEAA contract. There is also \$30,000 for the development of data processing applications, including modifications.

The Court System maintains a large inventory of electronic equipment, from typewriters to court recorders. In response to Mr. Haugen, Mr. Snowden said the electronic recorders cost the Court System \$500 each, but retail for about \$1,000. There is one in every court room in every major locality. They furnish cassette recorders to every magistrate. Total equipment is about \$250,000.

Mr. Snowden talked about the bill before the legislature that will record all sessions and hearings with the State Library as a repository. He felt the Court System should have a copy of those tapes so that attorneys could use them to determine legislative intent. Mr. Parr pointed out that the Court System would not need a tape of every meeting.

Mr. Malone asked how much data processing is contracted outside of state service and how much is with the state. Mr. Barrier

reported that the state bids on some contracts. Mr. Snowden said that it costs about the same to contract outside the state system as it does within the state system. Mr. Barrier added that he would like to see the state have the capacity to do all the work but at this point they do not.

On the subject of microfilming, Mr. Snowden said that he feels this is a very important matter because the Courts are "snowed" with records. Microfilming will save time and space and insure the integrity of the records. \$180,000 will take care of all present and past records. He said that this amount will also cover purchase of a simple retrieval system. \$40,000 will cover equipment to do ongoing records which will have to be indexed better. In response to Mr. Specking, Mr. Snowden estimated that it would take about one year to film the old records. Mr. Specking was concerned that they be sure and ask for enough to do the job. Mr. Barrier stated that there would be only one more position during the filming and the other positions would continue doing their own jobs. Maintaining the records would take the place of the present system, and the new system will save manpower in the end.

Mr. Brown questioned the possible duplication of equipment, mentioning the microfilm cameras in Fairbanks and Anchorage. He was told that this equipment would be used partly in filming the old records, but the new equipment would be totally different because the needs are somewhat different. They can not pull out the oil equipment -- it is needed to maintain the land records and is a reel-to-reel operation. Mr. Snowden said the new system will be the Diazo system. If they get the new system, Mr. Snowden said he would consider putting in legislation providing the record keeping function to be transferred into the Executive branch, in which cases both equipment and employees would be transferred.

As justification for this system, Mr. Snowden mentioned the number of cases being filed, the legislation impacting the Court, the inaccessibility of current records, increase in the Bar Association. All these factors affect the workload of the Court System. They also consider the level of service, and by way of example he mentioned the Juvenile Intake Officer only being able to see about 20% of the juvenile offenders.

The Chairman remarked that in some budgets there is a program accomplishment plan, and that it would be helpful if the Court System could come up with indicators of program effectiveness. Mr. Barrier said that this information will appear in the Annual Report which should be ready in around 3 weeks.

Mr. Snowden added that program budgeting is based on definable

quantitative objectives for the most part, but a lot of the Court System is qualitative, although they do have some quantitative objectives.

Mr. Parr commented that someone has said "justice deferred is justice denied", and he related this to the delay that results in criminal cases. He felt that it was most important that justice not be delayed. Mr. Snowden replied that they have been trying to meet the rule on this.

Mr. Barrier told the committee that they had tried to identify reasons for their requests. In some cases, it is increased caseload, as in Anchorage and Fairbanks. In other cases, it is a matter of maintenance and inflation. In still others, increases are related to mandated costs over which the Court System has no say.

In response to questioning by Mr. Specking, Mr. Snowden replied that the Public Defender has determined indigence on the basis that if the person says they are indigent, they assume that they are. There have been no parameters prescribed for indigence.

[Mr. Snowden left the meeting, with Chairman's permission.]

Mr. Brown noted a request for \$20,000 for a study related to uses and application of expanded tele-communications, and he asked how the decision to make that study was reached and what they want.

Mr. Barrier stated that the money is not for the purchase of equipment -- it is for a study to determine how better bush communications could be established. It is the result of an estimate of needs developed recently and they made the decision last October of November. Mr. Brown asked if this would be done by contract or in-house, and Mr. Barrier was not sure. Mr. Brown suggested that any plan as old as October or November could easily be obsolete. He recommended they contact Mr. Weatherly, Director of Telecommunications in the Governor's Office. He thought that this study might be done from information furnished by Mr. Weatherly and would cost nothing. He further suggested that the Court System did not need the money and that they were out of touch with what is happening in telecommunications.

Chairman Malone called the meeting back to order, and the committee resumed discussion of the Court System Budget.

Mr. Brown referring to page 179 of the Court System Budget and said that he thought they were out of touch on telecommunications. Mr. Malone asked who is in charge of that. Mr. Barrier said that the individual who worked up the tentative plan is Penelope Bonsi. Mr. Brown said that he thought it was important that they be in touch with Hilary Hilscher in the Governor's Office as far as information about telecommunications. Mr. Barrier said that he would tell her that. He said that they do not think things are being done very well in this area. The tropospheric lines seems to be a "bad deal".

On travel for the Administrative Office, Mr. Gruening said that he does not see a breakdown for in-state and out-of-state travel. Mr. Barrier said that probably most of the conferences and meetings are outside the state, and the administrative travel is mostly within the state.

In response to comment on the budget cut in travel last year, Mr. Barrier said that the legislature did, in fact, cut their travel request by \$19,600. It was line itemed out. They have been trying to get by and get funds wherever they can. He said that he is certain they will spend more than \$20,000 on travel this year.

Mr. Specking asked what the net result of the deduction last year was, and asked if they got money from elsewhere and went ahead with traveling or if they cut their travel. Mr. Barrier said that he thought they had done some of both. They cut where they could, but he said that there are some areas in which they could not possibly cut out travel, i.e. travel for magistrate training people. Travel to areas like Savoonga, Point Hope, and such out-of-the-way places "costs a fortune" but that is where they have to travel because that is where the job is. He said that the cut seemed to be an arbitrary one. He didn't feel that their budget has shown any flagrant travel.

Mr. Specking said that it appeared to him that the legislature was concerned and did make reductions because they think there is a lot of travel throughout state government that could be done away with if telephones were used. Mr. Snowden pointed out that they are trying to encourage more travel. They want more judges out in the bush, and want more training for their magistrates. One of their problems is that they have a mandate throughout the state that arraignments have to be within 48 hours of arrest. If anything, the Judiciary should be travelling more and not less, and mostly to remote areas which means travel costs are very high.

Mr. Gruening asked for a report on the areas travelled to during that past year. Mr. Barrier asked if that is just for Administration BRU or for all of them. Mr. Gruening said for all of them. Mr. Snowden pointed out that he is down in Juneau once a week, approximately, during the session to testify on their budget and on bills. Mr. Barrier said that on travel for the current year they are "running pretty tight". He does anticipate that they will be running out of money, and if they do they may have to "chop" some of their studies. Travel is a very high priority.

Mr. Malone said that the legislative note on travel read "travel request excessive" as a justification for the cut. He pointed out that without information to make a decision on, the legislature looks at the budget and sees a "fat" travel budget and, having no backup to the contrary, cuts it. He emphasized the importance of justification for budget figures.

Mr. Barrier said that he thinks that kind of what happened was that last year was the first budget he had prepared for the Court System and, in addition, it was the first year that the Court budget ever reflected its federal funds. This additional amount made the authorization jump from \$52,000 to \$76,000. Most of that was in federal funds. The Court System actually only asked 5% more travel than in 1973. Mr. Snowden added that federal funding was used for training.

[Mr. Malone left the meeting.]

Mr. Snowden said that the executive ruling that they cannot use private aircraft has certainly had an impact. Several judges own and operate their own small planes and flew to remote areas, with a / per mile reimbursement. Were this still allowed, there would be considerable savings in their travel budget within the state.

In response to questioning by Mr. Parr, Mr. Snowden said that they have a \$50,000 training grant from LEAA. He said

that it is his strong conviction that whenever there is a new judge, s/he should be sent for training. He feels training is important for the judges, magistrates, and even himself. Training for himself would be, for example, his attendance at the last National Conference on Judicial Education.

[Mr. Malone reentered the meeting.]

Mr. Snowden mentioned that he has a staff planner working to try to find private funding for "one-time" projects so that they don't have to come from the general fund. He said that many states have blundered in their use of these federal funds for long range programs. He said that he feels that long range programs should be funded by the state, and that their LEAA monies should be used for short term projects.

[Messrs. Parr and Specking left the meeting.]

Mr. Brown said that he did not understand the way in which the state and Court System maximizes the use of paper, stamps, and envelopes in sending things out to attorneys. Although admitting that this was picayune and probably more of a personal peeve, he informed the committee and Messrs. Barrier and Snowden of the distress he feels over the amount of material mailed to attorneys -- and all in different envelopes, so that not only are perhaps unnecessary numbers of envelopes used, but also a great deal more is expended in postage than might be necessary. He thought that they should be able to consolidate some of the information and mail it out at the same time.

Mr. Snowden said that in the first place, the staff time involved in coordinating this effort would probably take considerably more time than it is worth. In the second place, he has begun making sure that each time a judge signs an order or motion that a copy be mailed to the attorney. Thirdly, he has mandated consolidating the clerks office and the reasoning behind this is that (1) they do approximately the same work -- filing cases, handling papers; (2) it will be more convenient for the public; (3) it will allow for better efficiency in reporting what goes on and keeping track of what goes in and out.

Mr. Brown said that he was interested in determining the cost effectiveness of all that wasted motion. He inquired as to what extent the Courts have gotten into cost effectiveness, and wondered if the clerks are providing what they are supposed to.

Mr. Snowden said that at present they are contracting with someone to do a complete form and filing analysis of the Court System. He said that he believes and the Supreme Court believes that a

3/5/75

number of attorneys are "paid by the pound" and they are doing a complete filing study to see what needs to be in the file (may not need services or interrogatories). They will also be going on line with microfilming. If they accomplish this they will be one of the first states to have done so.

Mr. Brown said that there is one other thing. This is not happening in Fairbanks and he said that he hopes it doesn't happen after the unification of the superior and district courts, but it has happened in Anchorage. It appears that the clerk's office in Anchorage is "untouchable". He went on to describe his second-hand knowledge of the uncourteous and unhelpful treatment on the part of the staff in that office. This seemed to be partially a "power" kind of problem.

Mr. Snowden's responded, stating that they now have trial court administrators running the offices. Employees are also now on the merit system. They have just completed a classification study as mandated by statute and as a result of that the salaries of some of the people have been frozen. If anyone is mistreated, be it other staff, attorneys, or general public, they need only contact the trial court administrator or Mr. Snowden himself. He said that he was aware of slight problems in that Anchorage office but they should not longer be problems.

Mr. Malone referred to an earlier comment that had been made about the difficult of getting information as to just where the Court System is on their budget for the present year through the state administration. He said that apparently the Courts are taking steps to rectify that and requested elaboration.

Mr. Barrier said that they have done a couple things. They have talked to the Department of Administration somewhat. There is a limit to what they can actually supply. The accounting section of Administration is primarily concerned with maintaining books of the state and is not in the business of projecting how much a particular department is spending, where they are going with their budget, etcetera. That is really his own job, he said. They have tried to set up a new system on their own to provide up-to-date information, but in order to further development of that they would need \$2 or \$3,000. He said that they will attempt to make a minimal system, and will still use the state system for some of the basic information.

Mr. Malone asked if they wanted year-to-date information, how long would it take to get it. He wanted to know how long it would take to get information on what has been encumbered year-to-date. Exactly what has been expended would take about a month to a month and a half on the current system; what has been actually obligated he said that he can say currently; what has been encumbered he said is more of an estimate and he can give that fairly currently.

Mr. Barrier said that last year they didn't ask for much, and didn't get a lot of extra money. They have been running "pretty tight".

Mr. Gruening commented, in response to Mr. Brown's reference to problems at the Anchorage court office, that he, as an Anchorage attorney, has never had any difficulties and problems with the service in that office. He said that the only time he has had any problem has been in trying to get information over the phone. Mr. Snowden said that in many instances: the judges have mandated that certain kinds of information cannot be given over the phone. A lot of trial court judges have said that. He repeated that if anyone thinks they are having troubles with the staff, they should contact him personally.

Mr. Malone asked to take up their capital request. He referred to earlier discussion on the Bethel and Barrow courthouses. Mr. Snowden went through some of the other capital requests - improvements to the old court building in Anchorage, storage in Bethel, statewide improvement in electronic equipment, improvements in Juneau and Valdez, and remodeling of the Fairbanks court building. The last item is the largest single item they have.

Capital
Budget

Mr. Snowden spoke to the committee about a major problem the Court System has been facing in its capital projects. Court buildings must meet certain specifications. There are specific ways in which they want the space to be utilized. However, as the system operates now, they are not even allowed to look at the blueprints. He said that he is adamantly opposed to this concept. The judicial function requires specific types of space and securities. This costs no more and probably less to design. The Ketchikan facility is not useful, Anchorage is laid out poorly, Kenai, Valdez and Sitka they have saved somewhat by calling Dr. Wong to look at the plans. He noted that they had to get the plans from the legislature because the Division of Buildings refused to let them look at them.

He stated that a beautiful Juneau building was designed and was subsequently changed. They said that Mr. Snowden could not hire Dr. Wong. For the Palmer building, Dr. Wong was hired, and the building is beautiful. The Fairbanks building has quite a history. The state had a chance to build a building. Instead they chose to lease one. They leased a building for 10 to 15 years. The state, through ASHA, bought the building. Then the state decided to build a new building in Fairbanks for the executive branch and said that the Court System could have the old one. He said that they (the Court System) then contacted Dr. Wong, who is an architect specializing in Court facilities, and had him come up to aid in modifying

3/5/75

the building for use by the Courts. He designed a plan, which would cost \$1.9 million to implement. If this money is not appropriation, their intention is to ask for a new building. said that at present Fairbanks rates, cost for a building that would match this building remodeled would be \$5 or \$6 million. Mr. Brown interjected that he thought this was a conservative figure.

Mr. Snowden continued, stating that they realize the tremendous financial pressure the state is under. They have asked for the money for remodeling in the face of that. The caseload in Fairbanks is climbing drastically. They have asked for a district court judge in this year's budget. They will be asking for a new superior court judge next year. In order to provide them with space they need these renovations. If the legislature feels they can appropriate, he asks that they look at the alternative of appropriating part so that they can at least start the renovation. However, he warned the committee that delays will create tremendous court inefficiency there, and if they delay too long, it will be in the court's interest to ask for a new building.

Mr. Brown asked if the other state offices are going to let the Court System have the old building. Mr. Snowden said that last month, after having been promised the whole building, Administration came in and said that they would be putting in a room in the center of the second floor for telecommunications. However, they talked with the Attorney General who talked with the Commissioner of Administration, and he said that the Commissioner was very reasonable and agreed not to put in that space for these telecommunications phones.

Mr. Specking asked if there is any residual bond money. Mr. Barrier said that he is sure ASHA has several million dollars "sitting around" but he does not know how to "get that money out of them".

Mr. Snowden was asked about the status of the old building. Mr. Snowden said that it is around 15 years old. It was built cheaply. Around 12 years ago (he was uncertain about specific numbers of years) the state rented the building. He said that it is their understanding that it will be easier to renovate that building for \$1.9 million total than to ask for \$6 or \$7 million dollars for a new building, which really is impossible now given the financial condition of the state. They anticipate using the building up to 1990. They expect full occupancy by 1985. By that time, hopefully the state will be in a position to build another facility in Fairbanks.

Mr. Brown asked if they aren't afraid of having some of that

space taken over by other state offices. Mr. Snowden said that based on their experience so far they don't expect any problems. He also said that he hopes to get an agreement between the Attorney General and the Governor on the Court System being involved in the design of court facilities.

In response to questioning by Mr. Duncan, Mr. Snowden said that they had hired Mr. Wong to come up with a design for the Juneau building. He came up with a beautiful design that met all their needs. However, Buildings would not use this design. The facility presently near completion was not the one desired by the Court System.

Mr. Malone asked Mr. Snowden, referring to an earlier statement of his, if he was saying that some of the remodeling for the Fairbanks building could be delayed. Mr. Snowden said that if the legislature does not have the money, if they would even be given part of the money, that would help. He noted that they are adding a district court judge and do not even have a courtroom for that person. He said that he would hate to see the project die and would rather have just part of the money as long as the rest would be forthcoming in the near future.

Mr. Specking referred to Mr. Snowden's remark that the building is expected to meet their needs until 1985 or 1990. Given that, he wondered how much of the building would have to be remodeled in the next two years or so in order to be effective. Mr. Snowden explained that the first and second floors would have to be remodeled as a bare minimum. Substantial modifications are required on the first floor and major modifications on the second and third. Mr. Barrier noted that partial renovation could cause some problems. He said that they do have \$4 or \$500,000 of the \$730,000 from last year. A portion of that will go to meet fire and building code regulations. Mr. Snowden pointed out that delaying a project in Fairbanks will mean tremendous cost increases.

Mr. Brown, for the information of the committee, stated that at least in his opinion, the first and second floors of the state building will require considerable modification in order to be at all related to court functions. He felt that total remodeling was in order in order for the facility to be effective.

Mr. Snowden said that they will be almost ripping out the entire third floor. The fourth floor changes will be minimal because they do have judicial chambers. He repeated that drastic changes are needed for the third floor and also for the second floor, as he had mentioned before.

In response to questioning about occupation of the building,

Mr. Snowden said that the Department of Law, the civil section of the state troopers, and Parole and Probation will stay. All the others presently occupying the building will move.

Mr. Malone, going back again to the plans for remodeling, said that it would be useful to the committee if they could get an idea of what is being considered.

Mr. Malone also asked for information on projected caseloads. Mr. Snowden said that that will be in their annual report. He noted that the district courts in Anchorage and Fairbanks have not been increased in size for around five or six years. Anchorage's caseload has tripled, and Fairbanks has doubled. He said that the projections have been done by independent study done for the Attorney General's Office under LEAA grant. Their projections have proven pretty accurate.

Mr. Brown said that he would like to see the statistics, and Mr. Snowden repeated that they will be in the annual report.

Mr. Malone asked for more elaboration on the idea of private corporations building the Barrow and Bethel courthouses. Mr. Snowden said that the Court System (through Mr. Wong) designed the Palmer building and it was then built by a private concern from whom they are now leasing the facility. They are hopeful that they can do the same in Barrow and Bethel. However, as yet they have no idea if there is even any interest, so they do not want to delete these new facilities from the capital budget. They hope to know about this within the next two weeks.

Mr. Malone asked about the landscaping for the Juneau building. Mr. Snowden said that the cost for this is minimal but that the longer it is delayed, the more the cost will increase.

Mr. Malone asked about Valdez. Mr. Barrier said that the same thing applies there. This is just money to finish what the contractor did not finish. He said that what happens often is that since the funding is through ASHA, it is often 18 months or even longer before anything is done. By that time costs have increased so much, due to inflation, that there is not sufficient money to properly finish a job. This is where these extra costs come for the Juneau and Valdez facilities.

In response to questioning by Mr. Brown, relative to cost effectiveness and setting of priorities by the Court System, Mr. Snowden said that the Court System has tried to be cost effective, even in the Juneau Building, which Mr. Brown had specifically mentioned because of the request for landscaping. He stated that there was a certain amount appropriated in the Juneau building budget for native art. He said that

3/5/75

they will have a sculpture in the plaza, financed 50% by federal funds. This is another place in which they have used federal monies to replace general fund. He said that he would hate to see a sculpture designed for Alaskans sitting in a mudhole.

Mr. Specking reminded Mr. Snowden of the scarcity of money at this point in time. He mentioned that other states are freezing wages. Thus, he did not feel that whether or not a statue sat in a mudhole was too important. Mr. Snowden said he he agrees, and pointed out that he has already frozen the wages of some of his employees. At the same time, he said that the Judiciary portion of the state budget is 2 1/2%, which is not a lot. He said that he did not think that their request is at all outlandish.

Mr. Duncan pointed out that there is more work to be done on the Juneau building than simple landscaping. He felt that perhaps the committee was getting the wrong idea. The monies requested here will go for sidewalks, lighting, and other items.

Returning to the matter of the number of requested positions, Mr. Snowden emphasized that 50 of the 75 are right now being performed, either under city contracts or by persons working full-time but without benefits. He felt that these people are being discriminated against as a class. He feels that they should be treated like everyone else -- they are working as much as anyone else.

Admin.
& Genera

He repeated, too, how important he feels the other 25 positions are. He reminded the committee that these are the first new positions they will have had in three years. Mr. Brown attested to the need in Fairbanks.

The impact budget was brought up. Mr. Specking asked how heavily they are counting on the impact budget. There was discussion on the logic of submitting both an impact and a regular budget, since all the money comes from the same source. Mr. Snowden said that he quite agrees, and the only reason they submitted an impact budget was that they were requested to do so.

In closing, Mr. Snowden told the committee that he will be in Juneau probably once a week, and will be available to talk with them at any time they should ask him to.

Meeting adjourned at 5:33 p.m.

ADJOURNED

HOUSE FINANCE COMMITTEE
Thursday, March 6, 1975
9:05 a.m.

All members were present except Ms. Itta and Ms. Buchholdt. Rep. Fred Brown also attended, and Bob Grogan, Fiscal Analyst.

PRESENT
JUSTICE

The Corrections segment of the Justice category was taken under discussion. The chairman remarking that there has been continued and large increase in the Troopers budget, and that testimony would be heard this afternoon.

CORRECTIONS

Mr. Grogan pointed out the breakdown between adults and juveniles then between confinement and rehabilitation; they can see better where their budgeting goes; but he is not sure if this is completely accurate. There has been interest in the past in lumping these together because the Legislature doesn't think they spend this way, so why budget this way.

Under Adult Confinement, Anchorage Camp-Palmer has a capacity of 70 inmates but they try to keep a level of about 40.

Adult Con-
finement

Anchorage City Jail under State contract.

Anch. City
Jail
Anch State
Jail

Anchorage State Jail; last year they elected to delete this because they were going to drop the city contract with the Eagle River; then they changed their mind but the Legislature made them stick to it; they authorized enough money to keep the lights on and keep as a contingency. Then in August of last year the Division of Corrections came with a revised program to reopen the jail justified on the basis of pipeline impact. Mr. Haugen asked if they got pipeline impact money; Mr. Grogan replied that he would have to check--he didn't think so, but they used it for justification. The Anchorage State Jail is going back to a half-way house.

Ketchikan State Jail, with 33 maximum inmates, actually is around 15 to 20 people.

Ktn State
Jail

NRCE-Fairbanks had remodeling done; this is mostly for inmates with particular physical problems; about 38 individuals; this was thought too high and it was cut down to about 24 people now.

NRCE-FBX

SCRI-Eagle River will handle about 90 inmates; as of February 17, there were 54--Mr. Grogan gets a count every week.

SCRI-Eagle
River

SERCI-Juneau is a facility with a maximum of around 90; and presently has 60.

SERCI-Jnu

Juvenile Offenders: there are 130 male and female; they cost \$100.62 per juvenile per day with the FY 76 request; the Committee should let the agencies justify these costs more.

Juvenile
Offenders

(Mr. Haugen left the meeting).

Probation and Parole costs are broken out under four judicial districts, the long standing fight always being an overstated caseload. The agency attempts to substantiate budget with inactive cases.

Probation
& Parole

Violent Crimes Compensation has picked up interest on the national level; there is money spent greasing the judicial system, but nothing for the innocent victim of a crime. Mr. Gruening briefly reviewed a bill of his raising the limit of compensation allowed.

Violent
Crimes Comp

There are some small pieces in Department of Labor; some pipeline activity there. Mr. Grogan told Mr. Naughton that is was the same component of the revised program granted in August.

DEPT LABOR
Pipeline

Department of Law has been moved into one of the districts; that is why the pipeline budget is dropped. Regarding the four judicial districts, they are up about 40%. a substantial part of which is pay raises. The Governor's Budget Review Committee bought practically all the new positions.

DEPT LAW
Judicial
Districts

The Department of Public Safety is not organized in terms of judicial district, but broken out by individual function. There is an issue brewing in the Housing Program that some State employees are housed under. The trooper program has rather heavy rent compared to other employees under the same conditions; it is causing somewhat of a morale problem. The total amount of rental receipts does not pay for the housing; this is only an attempt to break this cost out separately in the budget.

DEPT PUBLIC
SAFETY
Housing

The Chairman pointed out that the Office of the Commissioner had doubled; Mr. Grogan said he was not sure what was going on there; there is a substantial pay raise factor. A lot of the increase in Public Safety will be the rent because they are taking over the new facility in Anchorage.

Office of
Commissione

He told Mr. Duncan the training increase is for new positions because they will be processing more trainees and personal service costs for training are going up. The Governor's Review Committee took a pretty good cut.

Training

Overall, troopers is up over 44% but their request was for a 90% increase. Mr. Grogan told the Committee that the Trooper range is 1616f is a monthly rate of \$1,613; as of September it would be 4% over that because of the pay raise. In the Governor's Review Committee there is a feeling that Public Safety and Corrections have heavy use of overtime that is not completely justified. He told the Chairman overtime is justified by showing how many man hours are necessary to cover a post and how many men they have to do it. Mr. Brown said there are many that still work 60 hours but don't turn in their overtime-- it's commonly known all over the State; it's kind of a compromise. Mr. Grogan replied that it was not just the Troopers, that a back out in almost all the program can be seen.

Troopers

In Detachments and CIB, new positions were allowed in both. Regarding Detachments, the Governor's analysis shows \$451,000 in overtime which included \$89,100 hours of Trooper overtime. They allowed \$1.5 million to go on through. The Detachment is the regular guys. They requested 43 new positions; the Governor allowed 15.

Detachmts
& CIB

(Mr. Haugen re-entered the meeting).

JUSTICE

One position allowed was the security trooper on the University of Alaska in Anchorage. He read the list of positions and where they are; the Governor added three troopers for Eagle River that were not requested. The Eagle River Component budgeted last for \$250,000 was deleted this year; the function wasn't deleted just re-arranged.

SCRI-Eagle
River

Mr. Naughton asked about the Public Safety rent and if they would be moving out of the building; Mr. Grogan said it was still not clear what would happen. The building was supposed to be a temporary in the first place. If they move there will be a substantial increase in their rent. Mr. Grogan thought there was some problem with the City of Juneau as well. To stay where they are they need a special permit granted. There is a problem in that it is a temporary building. Mr. Duncan pointed out that that area is supposed to be a convention area.

PUBLIC
SAFETY

Mr. Naughton reported to the Committee that the Anchorage Jail revised program came out of pipeline impact funds, \$158,900. The same positions listed in the revised program are the ones deleted by the Finance Committee. Mr. Grogan said he suspects they never left.

Anch State
Jail

Mr. Haugen remarked that he knew how to cure the problem; instead of picking over nickels and dimes develop a percentage and apply it to every line item and let them do the work. In his opinion this was an inflated budget; the Committee should give them "x" amount of dollars and let them worry about getting by.

Mr. Naughton commented that the whole pipeline concept was a slush fund. Mr. Haugen said Petersburg passed a bond issue of \$5.5 million dollars; Valdez got money but did not bother to raise any local money. Mr. Brown said there were about 9 million different definitions of "impact" last year--the word "impact" will not have any credibility this year because of what happened last year. Chairman Malone added "wait 'til you see the supplemental appropriations next year."

Detachments and CIB is a big block of the budget; they asked to practically double the budget--roughly the Governor cut it in half but it is still up 44%. It's gone way up but the Committee will probably hear that their budget was "slashed"--both are true, commented Mr. Grogan.

Detachment
& CIB

Pipeline-Eagle River Grant; \$250,000 authorized last year and nothing in the Governor's column this year. Three troopers were allowed elsewhere.

PL-Eagle
River Grnt

Office of the Governor; one big thing is Criminal Justice Plan-nine. A block of money is federal money distributed throughout the Justice system. The Police Standards Council was trimmed from \$43.5 to only \$5,000; requested positions were disallowed.

Off of the
GOVERNOR

Human Rights Commission was \$198,000 last year. The Governor's request is \$300,000. This budget is trimmed rather heavily but still has substantial increases.

Human Rgt:
Commission

The Public Ddfender budget was \$81,000 last year; the pipeline budget is gone this year and some of these positions will be found in the regular Public Defender budget, which has gone up 14%. This is one of the losers in the process; almost all new positions were disallowed.

Public
Defender

The Chairman asked about the increase in the Narcotics Unit and what they had been doing lately; Mr. Grogan said they publish a booklet--a quantative type document, and about 85% of their activities are related to marijuana and the courts are not enforcing it. Mr. Brown said the Commissioner of Public Safety says their arrests on marijuana are only incidental when they bust for heroin. He pointed out that this is supposed to be a hard drug and halucinogenic unit. Mr. Grogan said the booklet doesn't tell how much activity goes to what. Approximately 70% of the arrests are marijuana arrests; out of all the hours spent, roughly 60% are allocated to marijuana. The average fine is \$93.00 a day and one day incarceration. Out of 747 total arrests, 505 were marijuana related. Also 90% of the activity takes place at Tok Border Station, but it doesn't say whether that is arrests made or what. Mr. Naughton remarked that an interesting statistic would be the number of arrests on hard drugs.

Narcotic
Unit

The meeting was adjourned at 10:00 a.m.

ADJOURN

HOUSE FINANCE COMMITTEE
Thursday, March 6, 1975
2:00 p.m.

All members were present except Mr. Guy, Ms. Itta, and Ms. Buchholdt. Messrs. Naughton and Cowper arrived later. Also attending were C. A. Weberg, Deputy Commissioner, Pat Wellington, Assistant to the Commissioner, and Vona Hall, Fiscal Officer, all of Public Safety; Mike Clemens, Fiscal Analyst for Budget and Management and Rep. Charles Parr.

PRESENT

Mr. Weberg presented a brief review of the Public Safety program indicating changes. Total increase of positions requested is 42: 19 civilian, 23 commissioned.

ADMIN. OF
JUSTICE
PUBLIC SAFETY

The Chairman told Mr. Weberg that one item discussed during the morning meeting was the impact of overtime by State Troopers on the costs. He asked for an idea of what this amounted to and how it works.

Overtime

Mr. Wellington responded saying that under the Collective Bargaining rules troopers can only work 37.5 hours a week, and any thing over this must be on an overtime basis. While work is scheduled to reflect this as much as possible, in many cases it cannot be done. They are not happy with the situation; in the past the job was done and the hours weren't worried about. Now they have to keep track of what is being done and the hours. He reported that there were five major areas of overtime use; court time is very expensive especially if an officer on night shift has to appear in the day time or as frequently happens, has to wait sometimes days to appear. Overtime is necessary to perform regular functions in outlying areas--they made an analysis to see if it was better to have two positions or go to overtime. He further stated that all Mr. Brown thought this was not required everytime; Mr. Wellington said it was after-the-fact approval. Mr. Malone asked who gave the authorization and was told the immediate control was by the direct supervisor.

Mr. Wellington thought the impact of overtime would be almost \$1 million dollars. He told Mr. Brown they had requested \$1.3 million for overtime but the Governor approved only \$800,000. Mr. Weberg informed the Chairman that all the overtime was not paid for; that a number of officers were still concerned with the job and did not submit overtime. Their main interest was getting the job done.

There was discussion concerning the demotion in range by the troopers when payment of overtime was agreed to. Ms. Hall gave a brief history of the pay ranges. Mr. Weberg said that the range 16 was in lieu of overtime.

Mr. Malone questioned the increase of rental asking if they were happy remaining in their present location while another agency moved into the new court building. Mr. Wellington said they assumed the added rental cost would be transferred to whoever occupied the new space. He told Mr. Duncan that the present building would suit their needs for some time yet.

Rental

He reported that their conditional use permit issued by the City and Borough of Juneau was originally for five years and has been extended.

In response to Mr. Malone's questions and comments on the housing subsidy, Mr. Wellington said this amount was authorized to bring the troopers more into line with other state employees who were receiving housing benefits; that this inequity caused a big morale problem and he would like to charge a flat \$200 a month for housing which would still be higher than most others. There are 58 units of housing in the program now.

Housing

He told the Committee that the training beyond recruitment had thoroughly been neglected; a man had advanced through the ranks and obtained very little specialized training. They had used a Sheldon Jackson building before the new building was completed. With the new building they can set up a program to bring new people in for training; he feels they need to run two schools instead of one. They have projected two new recruitment schools, and two or three supervisor and refresher schools. Two four-month schools would probably average between 20-30 depending on the turnover.

Training

The operation of the School is funded through LEAA grants and does not cost any additional money. Mr. Wellington explained to Mr. Duncan that expenses would stay the same whether they had the municipal school or not. He said that the money goes into the General Fund, but this year it is going into the Department to defray some costs. Mr. Duncan pointed out that the LEAA grant does not show as a program receipt, and was told by Mr. Clemens that sometimes if a grant is tied to program receipts it could create problems.

In Detachments, the number of people added were five troopers in Anchorage plus three in Eagle River and three village constables. At this time there are a number of positions in the Department that were not funded in last year's budget, but by the pipeline budget. They are asking for 21 positions, but 17 are already working through revised programs. At Eagle River there are six troopers which will be reduced to three. Ten civilian positions have been requested and six are now working under revised programs--so there is a net gain of four. Mr. Wellington told the Chairman that the above figures include the CIB unit. And the investigators in Glenallen and Anchorage.

Detachment
& CIB

(Mr. Parr and Mr. Naughton entered the meeting).

Mr. Gruening, referring to the State-wide drug report of 1973, said that out of 747 arrests, 393 or 53% were for possession of marijuana, and 112 were for the sale of marijuana; that during the same six month period the average fine was \$93.00 and the average sentence one day. He asked if those figures held true for 1974. Mr. Wellington said that considerably more hard narcotic cases were made last year, and the report would include the cases by unit and cases by the city police departments. Mr. Weberg will send copies to the Committee.

Mr. Gruening pointed out that the stated purpose of the Narcotics Unit and the emphasis is hard drugs. Mr. Wellington replied that unfortunately the people using those drugs are also frequently using marijuana. They are trying to stay away from marijuana busts, and are having a difficult time getting people to work in that unit. They have a good working relationship with Anchorage and Fairbanks and a few other areas. He stated that marijuana was an illegal drug and they could not ignore it if they came upon it.

Mr. Weberg noted that the 1974 report shows the special unit involvement; the 1973 figures include police cases and border cases. The border people will make a federal case, but it is not enough, they call the troopers.

(Mr. Cowper arrived).

The Chairman asked how much of the discretionary fund or "buy" money did they spend during the year. Mr. Wellington said he thought it was close to the \$150,000 mentioned; some of the money is recovered, but some is just lost in the system. He said it was strictly a cash basis, and described the method of control: They have a bank account in Anchorage that four people can draw on--any two people can sign the checks. If a person is working as an undercover operative they take the fingerprints and identify the person through a number system. The account is audited internally because of the confidential nature, and aside from a procedural problem last year they can reconcile where the money went and what for. He feels it is a good system; it is tighter than the federal government operates and they did look at other states before setting it up. All transactions are by check to the individual who needs the money.

To Mr. Parr, he described the levels of authority each person had, and the amounts they could authorize for expenditure.

Mr. Malone inquired how the Village Constable Program was doing; Mr. Wellington replied that in his personal opinion it was a good program, and worthwhile. There is only one constable in Unalakleet at the present time; there are requests for nine positions along the pipeline corridor. It is a very sound way to get local people involved in law enforcement, and he thinks the program will grow and increase in service. The Village Constable is supervised by a resident trooper in the area. He would have to get help the best way he can same as the troopers. The vehicles have a radio but there are no special communications at this time. He told Mr. Brown that the regular radio used in highway vehicles in the Anchorage and Fairbanks areas is HF. He stated that he had been in contact with the telecommunications in the Governor's Office about the expansion coming up in the next 16-18 months. Also, he reported that they used some funds of their own to expand to some degree. There is difficulty along the Fairbanks-Anchorage Highway. Mr. Brown suggested that they might be able to tie into the railroad line, as the Alaska Railroad has always had a dispatch line; Mr. Wellington said each vehicle had a unit to tie into telephone lines. Mr. Brown further suggested they get in touch with Mr. Weatherly or Ms. Hilscher and he expressed the hope that other departments might get some input into their work.

Village
Constable
Program

Mr. Weberg commented that lack of communication has always been a problem; and Mr. Wellington added that communications was the most important thing a policeman had.

PUBLIC
SAFETY

Mr. Gruening asked if there was a breakdown of their "buy" money to show what items the money was used for, whether on cases of marijuana or hard drugs. Mr. Wellington replied that the information was available in Anchorage, but he didn't know if it was included in the 1974 report. Ms. Hall added that the first audit report recommended an increase in reporting the kinds of things being bought, so the new report probably would have more refined breakdowns. Mr. Gruening said he was interested in the costs per case, the special unit man hours and expense. Mr. Wellington said the convictions were in the report.

Narcotic
Unit

The \$1500.00 was allowed for two dog's care and maintenance.

Mr. Brown returned to the subject of overtime, asking if there was friction between individuals who wanted overtime and those who did not claim it. Mr. Weberg stated that overtime has to be authorized; that they have known of professional type people who just didn't believe in overtime, or don't want to make out the report. Mr. Brown asked if there was implicit approval in being a "good guy" or well thought of if overtime wasn't claimed; if there was any pressure applied that they should work overtime or not. Mr. Brown said the attitude implied from Mr. Weberg's remarks is that the good guy is the one who does not turn in overtime. Mr. Weberg replied that he was thinking of one man in wild life protection who did not turn it in; he happened to not believe in it. Most troopers were on individual assignment which avoided any conflict. The intention of overtime is to use it for emergencies or threat to life or property. Sometimes a trooper has to make a value decision.

Overtime

Mr. Gruening asked about a \$6500.00 expense under commodities, Narcotics unit. Ms. Hall said that an extensive library of information on drugs is maintained; testing kits; field kits are included under that amount.

Mr. Brown, looking at the communications breakdown, asked why the communications centers were in Juneau and Anchorage, and about coverage in other places. Mr. Wellington reported that the repository for all records is in Juneau; this was the dispatch for local troopers, also covered Hoonah. Juneau provided services to all stations in Alaska who have a right of access to the records and are on 24-hour duty with State-wide distribution of information. Fairbanks has 24-hour service. Anchorage has the only national crime information in the State--they take care of their troopers and requests for information. He told Mr. Brown that AJIS had regulations regarding access, that identical regulations pertain to ACIC. Examples of information are wanted person information that we extradite; stolen property--securities, boats, card; no arrest records. He further said that arrest material sent to Washington D. C. was expunged under penalty of federal law if a person was found not-guilty.

Mr. Duncan asked about providing training for paid and volunteer firefighters and was told it was funded under a grant from Highway Safety; no municipal funds besides the salaries were involved.

The meeting was recessed at 3:00 p.m.

3/6/75

AFTER RECESS

3:08 p.m.

Present at this time were Representative Guy, Malone, Naughton, and Reps. Parr and Brown. Also present was Dr. McGinnis, Deputy Commissioner of Health and Social Services, Cathy Lloyd Fiscal Officer for the department, Mike Clemens of Budget and Management, other Health and Social Services personnel and staff.

PRESENT

Chairman Malone called the meeting back to order. He invited Dr. McGinnis to testify. Dr. McGinnis read a prepared statement highlighting the Health and Social Services portion of the Administration of Justice budget. (copy attached) He pointed out that in examining the increased request for the coming year that there are \$792,500 in supplementals for this year. He also noted that they have not "spawned off" a lot of programs.

ADMIN. OF
JUSTICE

HEALTH &
SOC. SVCS.

Mr. Malone said that the cost of keeping someone in confinement and attempting rehabilitation runs pretty high, on a per capita basis. He wondered if there is anything going on to see if there might be a more cost effective method of rehabilitating a person than incarceration.

Corrections

Dr. McGinnis said that there are some alternatives, of course, which are being considered. One is the parole plan itself; others are the work release programs, education programs, and halfway house programs. He said that some who have looked at the correctional system over a period of time are convinced that trying to measure success in traditional terms is not successful (he numbered himself among these). He said that he is convinced that there are some people in institutions for whom the likelihood of rehabilitation is either marginal or almost nonexistent. He said that he believes the state should attempt to make diagnostic examinations in order to determine those for whom rehabilitation may not be feasible. For those, he would recommend humane arrangements, custodial care, and the necessary amenities but the admission should be made that it is unrealistic to try to rehabilitate everyone. He said that he has asked some of the HSS people to start looking at that in practical terms for Alaska. He said that he cannot be too hopeful in figuring any answer to per diem cost. Some of the alternatives are less expensive and are being utilized. If one could correctly ascertain what represents a dangerous offender, that would open up some real doors and possibilities, but the unpredictability of the dangerous individual is a real problem. He said that he would not want to testify that the department's efforts in rehabilita-

meet their projected population workload for the Anchorage area. They actually will be operating about 2/3 of that particular physical plan as a custody facility.

Mr. Brown said that he understands that they have a substantial increase for the three larger facilities over their previous year's request. He wondered if they are adding any people in Fairbanks. Mr. Branton said that what they are projecting is a workload expansion statewide of 90 additional beds, and they are projecting 65 for the Anchorage State Jail. The entire capacity statewide will be 90 more.

Mr. Brown asked what the nature of the expansion in the Northern (NRCI) Regional Correctional Institute will be. Mr. Branton said that there will be some additional staff at the facility. They completed a capital program this last year and now have a separate maximum security cell block and they did not increase their staff when they completed that. They are proposing to have a position inside of the maximum security unit on a 24 hour-per-day basis. As it is now, no one can go in or out of the unit without another officer there to let him in or out. There is a breach of custody in the unit. Additionally, they propose to add an additional counselor to the staff because they have increased the capacity and their present institutional counselor currently has a tremendous workload.

Mr. Brown asked how many people this facility was originally designed to hold, and Mr. Branton said 100. Mr. Brown asked what the present prisoner load is, and Mr. Branton said that their most recent count is the February 24 count and it is down somewhat -- 81 adults and 9 juveniles. There have been times in the past 12 months when it has been considerably in excess of that figure. There were 136 prior to Thanksgiving and they have been running considerably higher populations than they have felt comfortable with. February is traditionally a low month -- in fact, January, February and March are all generally low months. The facility has been running in the neighborhood of 100 prisoners right along.

Mr. Brown asked if they should have a load of 150 in that facility during the next fiscal year, do they feel the provisions of this budget are adequate to meet the needs. Mr. Branton said that it would be necessary to find some alternative facilities. This budget does not speak to this possibility.

Mr. Parr asked if they have a standard percentage of bed space that they would like to have as a "fudge factor" -- in other words, a certain number of beds over what they require in case of unexpected increases to their prisoner load.

Mr. Branton said yes. They have broken down in the budget document their operating standard for their facilities, and it speaks to the actual number of beds for each facility. They also have the situation of having to provide juvenile dormitories, female dormitories, as well as the adult male dormitories. This means that they cannot maximize their space, because obviously if there is even one juvenile or one female in a cell they cannot place adult males in those cells so the additional bed space cannot be utilized.

Mr. Brown asked what the problems they face at NRCI with 136 prisoners. Mr. Branton said basically, problems are that everyone is so busy and there is so much traffic in and out of the facility that with that kind of a load everyone has to be doubly careful and there is some breach of security or professional practices, hazards are much greater. With not having a person stationed in the maximum security unit they have had to breach security everytime someone goes in. Security practice is that you never let a person in with a key. The institution is understaffed.

Mr. Naughton asked about the population in the Southcentral area. Mr. Branton said that it is also considerably above the projected plan. Again, he referred back to the February 24 count and said that they are running about 175, with their plan being for 140. Mr. Naughton asked, then, if there are the same security problems as described at NRCI, to which Mr. Branton replied yes. (SCRI)

[Mr. Malone left the meeting.]

Mr. Branton said that the problems he mentioned arise any time there is an overload of a correctional facility. The Juneau area is the only area where they have any room at all, and they are in the process of moving some of their offenders to the Juneau facility whenever classification procedures allow. They are moving long term offenders to Juneau. He noted that in excess of 40% of the prisoners in the Juneau facility are from other areas of the state.

Mr. Naughton asked if they are doing anything different in rehabilitation in the Juneau area. Mr. Branton said yes. They have a Vocational Education sponsored training program. They have some very good connections with the Community College, and they try to sponsor Community College programs either inside or outside the facility.

He mentioned that at the Third Avenue jail in Anchorage they have much less of a rehabilitation program and the one program they have is a maintenance type of GED education program.