

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2580

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RECORDER LOG

(5)

Date: 1-26-76

Reg. #: 1832

End #: 1945

General Subject: Justice. Various: ^{Exec.} Budget p. 305

Present:

| Log # | Description |
|-------|--|
| 1832 | <p>Shroeder: we can find the difference by looking at the Free Conference Committee Report of F75 - F76. Explains logic of getting figure: 362 p.f.t. positions this year.</p> <p>Lind looks at F75 budget 26 changed t. to f.t. positions so Bob guessed right. Haugen fears K+B will also change temp to p.f.t. on the pipeline position increment</p> |
| 1897 | Ftta asks - Mulme: they R coming in for \$44,000 - |
| 1920 | " outraged H.R. Commis. = 7 new pos. = in little area needed, but they are <u>all</u> in ANO. |
| 1937 | Haugen visit Buchh. sub-comm. chairman in seapel' mntl? |
| 1945 | Recess + reconvene - cowper reenters — at 11:00 a.m. |

HOUSE FINANCE COMMITTEE
Tuesday, January 27, 1976
8:50 a.m.

All members were present except Rep. Haugen and Rep. Naughton. Alison Farnan, Fiscal Analyst with Legislative Finance, was also present.

PRESENT

The meeting was called to order to continue discussion of HB 628.

HB 628

Chairman Malone handed out information on the number of employees by bargaining unit and funding source. He also handed out calculations of interest for the APEA and Tri-Trades contracts (see file). He pointed out that the Tri-Trades figures show the interest running from the time the contract is signed and another figure for contracts covering interest. The total amount of interest would run between \$120,000 and \$150,000 if the state has a liability in that regard.

INTEREST
CALCULATIONS

Chairman Malone directed the committee to the January 23 letter from Ellison Ferrall of APEA (see file). Rep. Gruening noticed that APEA's figures were not the same as Budget & Management's figures. Rep. Duncan explained that Budget & Management must have figured the amount due on a monthly basis.

APEA vs.
B & M FIGURES

Rep. Gruening commented that at the time a contract is signed employees have a reasonable expectation they will be paid the amount in the contract, this doesn't mean they expect to receive interest on that amount.

Rep. Duncan computed that if the interest is paid from the time the contract was signed for Tri-Trades the amount will be \$53,700. Under the confidential unit the total cost at the end of February would be \$5,000. The supervisory unit cost due at the end of February would be \$24,400--that is the figure from Mr. Ferrall. It would be \$83,000 all together.

INTEREST
AMOUNTS

Chairman Malone said he thought Budget & Management's figures were correct.

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Rep. Duncan went on to say that if the committee looked at August 16 to the end of February-- 5½ months--the total would be \$25,800 for the supervisory. If interest was paid from the date of signing it would be \$84,500.

DATES,
PAYMENT OF
INTEREST

Chairman Malone said the error on the January 23 letter is that APEA had taken the total cost throughout the year and applied an interest rate. Only the unpaid portion would have interest due on it. They have said the full amount was due on August 16 when it was actually due on a monthly basis.

Rep. Duncan said that made a big difference--the total would be closer to \$63,400. Chairman Malone added that the \$63,400 would cover the amount of interest from the time the state had a contractual obligation until the end of February.

Rep. Haugen joined the meeting at 9:00.

Rep. Duncan said that Marine Highways has an unpaid contract too. He asked what was due on that one. Chairman Malone explained that the committee would not have that information yet.

MARINE
HIGHWAYS

Rep. Gruening said that even though APEA's figure was incorrect their approach was good. They were not asking for anything other than the amount funded by legislature. Chairman Malone said there was some question as to whether contracts should be paid from the date of signing or from the date of contract.

Rep. Cowper observed that unless the act was changed to keep this kind of thing from happening it would be necessary to pay a big reserve to the Dept. of Administration. That would be impossible to control.

Rep. Haugen asked if the problem was that when the contract was signed legislature didn't carry over the funds.

Chairman Malone said that the money for the cost of living increase for Tri-Trades wasn't appropriated. Does that mean that interest

is due because legislature wasn't around to appropriate the money.

Rep. Cowper asked if paying the money to one group made it mandatory to pay money to the other one. Rep. Gruening wondered if the money couldn't be taken from some department's lapsed funds.

PAYMENT OF
INTEREST

Rep. Gruening asked what the Tri-Trades people were asking interest on. Rep. Duncan responded that they were asking interest on the retro-active pay to January 1.

Chairman Malone said there were three arguments:

1. Interest is due from dates covering contracts.
2. There is no interest due.
3. Interest is due from date contract was signed.

Rep. Gruening said that the situations were different. In one case it is something that should have been funded but wasn't. It's something that arose after the contract.

Rep. Buchholdt asked if the contract wasn't being negotiated again this year. Couldn't they include wording in that contract about this. Chairman Malone answered that that could be handled in the design of the appropriation making specific call for the cost of living under existing contracts.

CURRENT
NEGOTIATIONS

Chairman Malone told the committee that they had all the information necessary to make a decision except the interest due on monies due and then paid in Marine Highways.

Rep. Buchholdt asked if it was known what the amount of restricted and unallocated funds was. Rep. Cowper interrupted asking if the committee had decided to see if any other departments had lapsed funds or if this bill was going to be sent through the way it is.

Chairman Malone said that that information should be established, but on this appropriation the only area it was possible to pin down was Marine Highways. The rest are scattered among departments and that is the way funds would lapse. This is the only supplemental from Marine Highways, but not the only one from executive branch.

Jay Hogan, Director of Legislative Finance, joined the meeting at 9:17.

Chairman Malone asked Mr. Hogan about restricted and unallocated funds. Mr. Hogan answered that Marine Transportation had told him all of their accounting people were on a ship somewhere. Chairman Malone instructed Mr. Hogan to phone Mr. Hudson and tell him the information was needed by 10 o'clock. Mr. Hogan left the meeting.

RESTRICTED &
UNALLOCATED
FUNDS

Chairman Malone asked the committee what they wanted to do with this bill.

Rep. Guy asked about the transfers of monies in Section VI. Chairman Malone said it would allow them the transfer of funds only for paying salary increases.

Rep. Gruening said he could understand the argument made for supervisors and confidential employees, but as far as any interest payment on retroactive in addition to contract, that should have been written into the contract. He continued that the only groups entitled to interest for cost of living are the confidential and the supervisors. They are entitled to the money and administration should be advised that when they approve a contract they should go ahead and pay it and then they would be on good ground for a supplemental if needed.

Chairman Malone asked what the figure would be under the confidential contract. Rep. Gruening replied that it would be \$5,000.

CONFIDENTIAL
FIGURE

Rep. Gruening asked if the confidential employees weren't similar to the supervisors. Rep. Duncan said that the original agreement was signed in October of 1974 and the supplemental was signed in July of 1975.

Rep. Cowper suggested that in the sections of the bill dealing with cost of living increases they should be called cost of living and not salary increases. The public might not be favorable to the \$14.4 million in salary increases.

WORDING--
"COST OF LIVING"

Chairman Malone said that confidential covers some salary increases and some cost of living. Supervisors does too.

Rep. Cowper suggested that the figures be broken out to minimize the emphasis on salary increases. The public is often of the opinion that state salaries are more than they should be, but they can understand cost of living increases.

Mr. Hogan returned to the meeting at 9:35. He said that on the Marine Highways salary increases the director is concerned about taking more money out of the reserve because they will need that money for contractual and commodities.

Chairman Malone asked how the figures could be broken down to show cost of living and salary increases separately. Rep. Duncan said it could be done in the legislation or in an attached letter.

BREAKDOWN OF
FIGURES

Rep. Cowper said that for the supervisory personnel he felt the interest should be properly calculated and paid. Rep. Gruening said he wasn't sure about interest for the confidential.

Mr. Hogan suggested that if there was concern about the psychological impact of the bill words could be inserted in the sections saying the increase was for cost of living. The exact amounts could be explained in a letter or in the journal. The title could also be changed.

Chairman Malone appointed Rep. Duncan and Rep. Gruening to bring a recommendation back to the committee at 1:30 today.

SUBCOMMITTEE

Rep. Cowper said he hoped there would be a breakdown of cost of living and salary increases incorporated into the bill. He wanted to

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see a committee substitute saying it was
cost of living and not pay raises. Chairman
Malone agreed with this to the extent that it
could be fairly reflected.

Chairman Malone recessed the meeting at 9:45.

Tape: H76-6
Beg. 0000
End 1411

HOUSE FINANCE COMMITTEE
Tuesday, January 27, 1976
1:35 p.m.

All members were present. Others present were Alison Farnan, Fiscal Analyst of Legislative Finance, and Ron Lind, Budget & Management.

PRESENT

The meeting reconvened to discuss HB 628.

HB 628

Chairman Malone asked for a report from Rep. Duncan and Rep. Gruening.

Rep. Duncan said that after calculating the cost of living vs. the salary increases in the bill it had turned out that over \$7 million was cost of living and \$6.7 million was for salary increases. He reported that there would be no problem in putting this in the bill.

SUBCOMMITTEE
REPORT

Rep. Gruening added that the allocations to the various funds would not be broken out.

Chairman Malone said the appropriation would not change because the total is the same.

Rep. Duncan said that the supervisory contract was signed prior to the legislature adjourning last year. The rest of the contracts were signed after adjournment. The confidential units new contract called for negotiations to start in December of '74, but they didn't get started until May of '75.

Chairman Malone asked Rep. Duncan and Rep. Gruening for their recommendation.

Rep. Duncan said their recommendation was that the cost of living amount and salary increase amount be specified in the bill. Funding sources would remain the same. He recommended that the interest on the supervisory contract be paid at \$4,700. That would take them from August 16 to February 28. He said they were still waiting for the Marine Transportation figures. They had a contract signed in October of '74 providing for increases. The one increase of 55¢ per hour was not funded until after negotiations between legislature and Marine Transportation and then 44¢ was paid.

SUBCOMMITTEE
RECOMMENDATION

Chairman Malone asked the committee for its feelings.

Rep. Haugen suggested that the bill had been in committee long enough.

Chairman Malone asked Mr. Lind if he had any other comments. Mr. Lind said the increase should all be funded from the general fund for supervisory people. In the Marine Transportation it is not a problem because it is 100% funded from the general fund. The legislature is suggesting that there was an error and that the error should be paid from the general fund.

FUNDING

Rep. Duncan commented that the bill itself would have a change in title and that sections would be changed to specify cost of living.

Chairman Malone again asked the feelings of the committee. He then asked the subcommittee to prepare a committee substitute within the limitations stated for tomorrow morning. He hoped that the bill could be reported out tomorrow morning and read on the floor.

Chairman Malone said the meeting would be adjourned early to give committee members an opportunity to prepare for the revenue meeting. He then asked if there was any other business.

Mr. Lind said that at noon Budget & Management had received a call from the University of Alaska indicating they are going to submit a request for cost of living for community college instructors.

Chairman Malone said he would like to consider that as a separate supplemental request.

Chairman Malone told the committee that before the close of business tomorrow he would try to have a proposed schedule of hearings and would ask for a minimal report from subcommittees on the budget.

The meeting was adjourned at 1:50.

Tape H76-6

Beg. 1418

End 1665

HOUSE FINANCE COMMITTEE
Wednesday, January 28, 1976
8:30 a.m.

The meeting was called to order by Chairman Malone. A quorum was present with all members. Also Alison Farnan and Milton Barker of Legislative Affairs, as well as three persons from the Dept. of Administration: Director Dick Bradley, Dick Winchell and John George were there. QUORUM

Rep. Duncan offered his subcommittee report on HB 628, explaining it section by section. He said the cost-of-living increase would not affect any of the tables used in the funds. Because HB 628 contracts were signed when they were in session last year and during the interim, they now needed the appropriation. In general, all the supplemental monies were due to cost-of-living increases and not to salary increases. Section 2 reflected that, and so did Section 3, as did Section 4. Section 5, he referred to the \$220,800 agreement signed in October, 1974, an increase which was due during legislature last year.

Chairman Malone said the total charges in interest calculated to approximately \$10,000. Duncan added that the interest was six percent simple, per year, and Chairman Malone said it was just on those contracts already approved, but the cost-of-living increase was under-funded due to poor estimates. INTEREST

Cowper asked for a letter to back this up, breaking out their answers for the Administration. Chairman Malone said they got their figures from the Administration. But Mr. Duncan would prepare a letter (see attachment) to explain each section of the bill.

Then Chairman Malone listed action accomplished on the Committee Substitute:

- 1) Explanation and clarification of amounts of cost-of-living adjustments which have been separated from the salary increases indicated in the body of the legislation. SUMMARY OF CHANGES
- 2) In the title, wording should appear showing that the appropriations are due to cost-of-living increases; not due to simple salary increases.
- 3) The amounts which have been included for interest adjustments are due to contract ratification by the previous legislature, and were either not funded or just partly funded.

Rep. Haugen moved and asked for unanimous consent to pass out the Committee Substitute on HB 628. Hearing none, the motion was adopted unanimously.

DO PASS

Following a short recess, House Bills 593 and 594 were taken up for reconsideration in that order. They dealt with a Health and Social Services Supplemental Appropriations. The Chairman said HB 593 includes the non-payment bills, increase in cost of care, and money to replace program receipts the state may not obtain from the federal government.

HB 593
HB 594

Rep. Buchholdt said she had made a request of Ms. Lloyd when she testified, about the number of private institutions and number of children and had not yet received an answer. She asked for a breakdown on the per-child cost, also.

Naughton added he received no information about Region X amounts that have lapsed, nor what the inter-agency receipts were.

INFORMATION
INCOMPLETE

Buchholdt said it came to light that last year they appropriated \$9,000, and although the amount was insignificant, they did not follow legislative intent with it. They forgot to pay a certain bill and they spent it for something else. "So if we don't get this information now, I feel we have lost this round," she added.

DEPARTMENT
REALLOCATION

The Chairman said they needed the information before taking action for:

- 1) The lapsing funds in the Department by BRU
- 2) Federal regulations on these program receipts
- 3) The number of cost-of-care per institution;
(break-down of cost)

NEEDED
INFORMATION

Rep. Buchholdt said that \$10,000 per child she knows it could easily cost, but a break-down was important nevertheless, and Chairman Malone said they will get that information.

Going on to HB 594 relating to a Division of Public Health, DHSS, supplemental request based on the emergency diphtheria immunization program -- the Chairman's file did not have any supporting information. The Department people told them there would be some money in the general relief medical fund to cover the emergency immunizations, said Buchholdt. They do have the funds but they were reluctant to move them when it was not a part of the legislative intent. So there was a lapse.

Naughton commented that they could not use last year's money and so the lapse didn't matter. General relief medical is only supposed to be used in general relief medical; anything else is not supposed to lapse. Then he reminded the committee he had asked them for computation figures on their year-to-date expenditures. Gruening said it was going to be pretty tight.

GENERAL RELIEF
MEDICAL FUNDS

Chairman Malone set aside bills 593 and 594, until such time as more information was forthcoming. HB 553 relating to risk management and loss prevention in state government together with accompanying fixcal note and governor's letter were then taken up. (Duncan left.)

Dick Bradley, Dick Winchell and John George from the Dept. of Administration were present to testify.

Bradley: The rationale behind this bill is, very basically, to manage our risk. We associate with underwriters, Workmen's Compensation, the ferry, etc., the works. Risk Management is our loss control program. Also, we have a statewide safety program pretty much under way. Also, incorporated is the revolving loan fund which is part of the risk. We take advantage of the lower premium rates and absorb some of the risk ourselves at the lower level, just like a deductible. For example, if we had a major loss due to a fire, it may be six or nine months until the insurance adjustment is complete. In the meantime it will have to be rebuilt. If there was to be money in the fund we could loan to get the work done until the insurance adjustment is complete, we could make that up to the fund. The fact that the fund is revolving, would make it adequate to take care of payments year to year.

TESTIMONY

Cowper: This is sort of a limited selfinsurance. That is, we are becoming self-insurers. You won't get higher deductibles to reduce premiums. Did Dick Block help with that? I'd like to hear his thoughts on it.

ASSUMING
MORE RISK

George: He was aware of it, and approved of it. Cowper said he would like to hear his thoughts on it.

Cowper: What's been your experience, Mr. George, as to the cause of delay in the insurance payments?

George: Our insurance companies have been very responsive when you ask them to take care of losses; but in Alaska you have to, many time, rebuild the school building before you know what the cost is going to be. Most agencies do not have enough slack in their budget to take care of a \$50,000 loss until such time as the insurance money comes so they have to ask for a special appropriation.

LAG IN PAY-
MENT QUEST.

Cowper: The insurance company sometimes advances money. What's the correlation between the state's premium and its loss? How much does it go up?

George: The insurance companies like to think it comes to 50% of the premium. The other 50% loss goes to administrative cost and profit. But on anything with the state, we get a more favorable ratio -- probably 60 to 70% ratio. But in the long run, if the losses exceed the premium, the premium goes up because they don't want to lose money.

PREMIUM COST

They are a profit making organization. If you took a deductible and took the amount we were paying for the premium and put it into this fund, we come out at 60 to 70% in the long run. We save quite a bit of money.

DEDUCTIBLE
FORMULA

Cowper: You got any figures on that? How is this going to work in each department? How much money will they deposit into the risk management fund?

George: The chairman mentioned there is a fiscal note which is zero. We already allocate monies to the departments for insurance. We could take a portion of that money and instead of buying insurance, put it in that fund. As to how much each department pays for insurance payments, I could get that for you. Insurance premiums are going up drastically and it is tied to court awards. The insurance companies are very sensitive and they automatically want more money.

Cowper: What is the relationship between the Office of Risk Management in the Department of Administration with the Division of Insurance?

RELATIONSHIP
WITH DIV. OF
INSURANCE

George: The Division of Insurance is a regulatory body to regulate insurance companies, insurance brokers, etc. They have insurance expertise and we exchange ideas. For instance we've discussed this bill. I've discussed their malpractice bill. We have no cross-function. They are the regulatory body. We are the buyer.

Cowper: Do you exchange information regularly? (Yes.)

Buchholdt: What is your disaster figure given throughout the state?

George: Disaster, or normal losses? I am not sure "disaster" is the precise word there. I would consider a disaster the Anchorage airport incident with the 747, or an earthquake or maybe flood, etc. I think you are referring to serious losses which happen as a regular occurrence. If we burn down a school, that's different as a million dollar loss than is the 747 in the ditch at the Anchorage airport. The question of whether we are liable for a twenty-five million dollar loss? There is no way right now we could treat it with a loss fund. Maybe one hundred or two hundred million maximum, then we could. In school losses you could limit your losses in the aggregate. (He explains by example.) If the fund has a half million dollars, that is the absolute limit the fund could pay out. I am not sure the word "disaster" is pertinent.

"DISASTERS"
AND LOSSES

Buchholdt: Regarding the 747: Is the state responsible for weather conditions?

George: We hope not. There is a lot of speculation about that right now. The pilot had the plane in a state of unpreparedness. (He explained specifics.) It was "pilot

747 AIRPORT
INCIDENT

error" that caused that. We have a remote possibility of being tagged with that. We are covered. If we had a snow plough out there in the way and the plane hit it, we could be liable.

Cowper: I heard a while ago the state was having a problem trying to write liability insurance. Is that still a problem? To find someone who is willing to do it?

George: We currently have liability insurance. A month from now we may not. The Stonewall Insurance Company is our general liability carrier. I know they are not a popular-name as is Aetna, etc. but we do check these out and it is a good solid company. We wouldn't select Arizona Shifting Sands.

STONEWALL

Cowper: Alpac: What happened to them?

George: Alpac made a decision they no longer want to write government entity business. They are re-insurers. They don't take the whole risk. They reinsure other insurers.

Cowper: Did some of your insurers take into account the recently passed state law to ask for a jury trial? I know the attorneys who represent the state's insurance companies who requested that bill. Does that enter in?

JURY TRIAL

George: There are a lot of things that enter in. The courts rules on kinds of negligence last year and in spelling out how that will affect it we really don't know. I want to point out that the loss history won't be known for a while and that will really determine the cost of premiums.

Cowper: How much does the state pay a year on liability insurance? The total cost of liability insurance probably comes to --- ?

COST OF
LIABILITY

George: One hundred-million dollar liability total cost. Close to that.

Gruening: There was a case before the courts in Anchorage, now before the Superior Court. Will that case change your ability to get insurance? For instance, the state inspector on the job has the duty to make things safe.

COURT
DECISIONS

George: We also have a case in Ketchikan; a man was seriously hurt. These broad court interpretations -- especially in remote areas of the state where sometimes we are liable -- the court broadens our liability, it affects our capability, and certainly the price. They estimate there will be some decisions like these. The real test will be the losses. If it costs a million dollars apiece, they will have to make an adjusted premium, as they must cover profit and administrative costs.

Gruening: A question on mechanics: Section "d", Page 2; "All money received by the state from litigation or settlement of claims for damages relating to insured or uninsured losses of the type paid by the risk management fund, and from return premiums, interest and other returns from investments of the fund shall be deposited in the fund." When the company settles and pays you and you stick it into this fund -- doesn't the insurance company want to be reimbursed?

QUESTION OF
COMPANY
REIMBURSING

George: Let's say we have a \$50,000 deductible on a liability situation, and we get so much back. (They collect it, subrogate our interest, and we would get it back. There are times when we would subrogate on our own -- when the insurance company would advance to us and subrogate.)

Gruening at this point in the narrative, pointed out a loophole possibility and asked if there was an authority who could become managers to take some of that litigation money. George did not agree. Gruening further asked about using money from the general fund: would the fund have enough in it from premium savings?

LITIGATION
LOOPHOLE

Buchholdt: On Page 1, Subsection "c", each agency in the department is going to ask to contribute to this revolving fund. How do you plan to do that? Will we have to pay the department more money?

DEPARTMENT
CONTRIBUTIONS

George: We are doing the same thing now when we allocate premiums. We take part of that money and put it into the fund. The Department of Public Works uses a substantial amount of the premium because they have the airports, the ferry fleet, etc. Those are specific premiums that that is how much it is. On the Workmen's Compensation, it is rate times payroll. That is done automatically by the computer every month. Public Safety pays a specific premium on their airplanes, vessel insurance, etc. What we are trying to do is to get the cost allocated back to the departments so that everyone can see how much the costs are which we appropriate to that department.

Buchholdt: Will this cause an increase in budgets of the departments or will they come back for more money?

George: We tell them a year in advance when they are in their budget cycle what they are going to pay for their insurance premiums. So it is all in the Governor's budget. It should not require additional appropriation.

HOW BUDGETED

Naughton: What will the fund balance be five years hence?

George: That depends on the losses and if the fund is flexible, and can be adjusted. If we find we are saving money at an accelerated rate and the insurance premiums

BALANCE IN
5 YEARS

are going up -- say five million dollars in the aggregate -- we'd have to prudently have at least five million dollars -- more than that. In five years from now the pipeline is giving us oodles of money we shouldn't be buying insurance. We should be totally self-insured.

IN THE
AGGREGATE

Naughton: What is the state spending now in liability insurance?

George: Six million dollars.

CURRENT
LIABILITY
EXPENDITURE

Naughton: Right now the deductible is where, in the aggregate?

George: We have a \$200,000 per occurrence deductible. \$2,200,000 in the aggregate.

Naughton Property? (Yes.) At the end of the first year, we can anticipate the end-of-the-fund balance?

George: The problem now is the losses are accelerating. Workman's Compensation, for example. The losses this year compared to the losses last year, potentially it could be a million dollars. It is going up fast. If we killed four people, the fund would be a lot different. (He further explains the technical aspect.) That's how we got with Stonewall Insurance Company. They were willing to write the claim. They are an excess carrier, not a primary carrier. (He explains how it works after losses are adjudicated.)

INFLATION

Essentially on insurance process, where the insurance company will take the money, invest it and later pay it out, we are doing that. We pay this year's losses with next year's pay or next year's losses with this year's pay. In the long run, we are doing the same thing as the premiums do and we come up with that 60 - 70 percent ratio. Over a 12-year period we should be saving 30 to 40 percent. If we didn't carry it over, we would have to budget for the maximum exposure amount a year.

INSURANCE
PROCESS

Chairman Malone: Pursuing Mr. Naughton's gross rate question, what would be in the fund at the beginning of its creation?

George: If our total insurance program is six million dollars, probably two to three million of that would be channeled into the fund. Most of your losses are going to be small ones. The frequent loss takes up most of the premium.

Naughton: What range would be considered a small loss?

SMALL
LOSS
DESCRIPTION

George: Under \$100,000. For the State of Alaska, possibly \$200,000 as inflation has caused insurance premiums to rise rapidly. If you get a dent in your automobile, you know what we are talking about.

Rep. Naughton then pointed out the wording in HB 553, Section 1.(b) which he read: "There is established a permanent revolving fund known as the risk management fund in the Department of Administration for the payment of insurance premiums, uninsured losses, deductibles, advance payments of insured losses and other purposes considered proper by the commissioner of administration." What are those purposes?

UNSPECIFIED
"PURPOSES"

George: The reason that is in there is because you don't know what those purposes are. They would always be for risk management and loss prevention purposes. To write a bill that takes in every contingency is pretty tough and we tried to make this general. It would not go for carpeting.

Mr. Bradley: If that poses any kind of problem to the committee, we could take that out. There is no subterfuge intended.

Naughton. If we dropped those magic words, would that be any problem to you?

Bradley: It is in there for better risk management and loss prevention. One can't predict the ramifications of what will occur. We need that latitude. It ties in with the loss control aspect. For example if someone does have a type of carpet that lends itself to skidding and someone could hurt themselves, we can go in and advise them to change that to non-skid type carpet. Since we are controlling our losses, it reduces the amount of money we actually have to pay out. The loss control aspect is another function of it.

FOR LOSS
PREVENTION

George: Risk management is the purpose. This wording has integrity. It prevents losses.

Naughton: I wouldn't want you to say that by reducing waiters on the Malaspina, we would reduce Workmen's Compensation loss.

Cowper: Mr. George, if the state is going to really going to have a substantial deduction, who is going to be in control of the law suits? Is the attorney general's office, or is it going to be relegated to good old Stonewall? If Stonewall lawyers are in charge of the case, they might think it is a good idea to settle for anything under the states' part of the bill and Stonewall doesn't pay anything.

WHO HANDLES
LAW SUITS

George: We have an agreement for adjustment firm to adjust these claims within the deductible area. The risk management program doesn't have enough personnel to handle the claims, so the adjusting firm, and a few attorneys do that. Very few cases do we go to the attorney general's office. adjusting firm is accountable to us.

CLAIMS
ADJUSTMENTS

adjusting firm is accountable to us. In the case of having to go through the Human Rights Commission, the attorney general's office might want to handle that.

Cowper: What if you have a case where the exposure is above the deductible limit? What would be a liability under road maintenance?

THE AMOUNT
OF PREMIUM
& DEDUCTIBLE

George: I anticipate a rise in premium. Doubling our liability premium is not going to cut out that hazard.

Cowper: An insurance company lawyer shouldn't make all those decisions.

George: That is not correct. We are contractors. We have the right of limiting their authority to settle.

Bradley: They will properly defend their claims.

Cowper: My question is not answered.

George: Quickly, yes, we have taken it into consideration; we have sufficient checks and balances on that. It is not a problem.

CHECKS &
BALANCES

Buchholdt: Regarding inmates, or children in a state school, or children or youth in confinement and they had a death or injury, how do you take care of that?

George: If the state is legally liable, then it would be subject to fund. In the Juneau School District, no.

LEGAL
LIABILITY

Buchholdt: I am thinking of the rural schools.

George: Yes, if we are legally liable, then we would respond.

Buchholdt: Is that also -- 50% was not covered in human loss.

George: I don't understand.

Buchholdt: If the child is left in an institution, a ward of the state, and the child dies --

George: Okay. If we are legally liable. If the blood parent sues us, we are legally responsible. There is a case in Anchorage where a horse kicked a child in the head and the blood parent is suing the foster parent, the horse owner and the state. Our fund is to cover the state's liability.

Buchholdt at this point told about a constituent of hers in Anchorage who was hit by an auto driven by an escaped jail inmate. What was the state's liability? George discussed the case with her, indicating the state could be liable only for the person who escaped, not for the automobile's use. Buchholdt felt the state has the responsibility. George said the courts would determine the outcome of that.

EXAMPLE

Chairman Malone recessed the meeting. He appointed a sub-committee to reconsider the form of this bill. Naughton was made chairman, with Cowper. Due to the length of the session, this meeting was not reformed as announced. There was no official adjournment.

Tape: H76-6
Begin: 1668
End: 2722

MB

Tape #: H 76-6

RECORDER LOG

Date: 1-29-76

Seg. #: 2723

} all of Tape - end
of H 76-6

1:40 p.m.

End: 3376

①

General Subject: Budget- Human Rights Commission

Present: Reps. Malone, Buchholdt, Duncan, Naughton, Guy, Inuering, Cooper others: Thomas, Exec Dir.

Hum Rts: Carl Smith, Anchor. H.R.; Bob Gays, Hum Rts.

Log # Janet Bradley, Juneau H.K. Description marion Endicott, administrative officer, office of the Governor

2724 meeting convened 1:40 Mike Clemens, Dept. of Admin. Budget + Inqmt.

2737 Neel Thomas, Dir. of Human Rights introduced commission and staff

2750 Carl Smith, vice chairperson, Anchorage, listed staff present

2762 Thomas - outline of years activities

2775 Thomas - priorities of commission

2787 Result of dealing with priorities

2809 Thomas - discussion of charts and case time lag

2853 Thomas - summary of actions of Comm. in report

2870 Thomas - Cases pending in court

2874 Wien case

2882 Thomas - agreements with other human rights agencies

2891 Thomas - commissioners active in overseeing administrative activities

2902 Thomas - ref to SB 60

2915 Thomas - rural programs

2927 " - rural program coordinator rep.

Tape #: H 76-6

RECORDER LOG

Date: 1-29-76

Beg. #: 2947

End #: 3142

(2)

General Subject: Budget - Human Rights Comm (continued)

Present:

| Log # | Description |
|-------|--|
| 2947 | Thomas - governor's budget |
| 2959 | Thomas concluded remarks - current years operations |
| 2973 | Malone asked question from committee on FY '77 budget |
| 2979 | Buckholdt - question - Rep II in Anchorage? |
| 2985 | Thomas - answer |
| 2991 | Thomas - explanation trainee positions |
| 2997 | Buckholdt + Thomas - acceleration of training process |
| 3008 | Thomas - explanation - nature of training |
| 3019 | Discussion - legal counsel and volunteers |
| 3040 | Malone - ques. # of Vista volunteers |
| 3053 | Thomas - Vista |
| 3066 | Malone - does this mean you'll get of it behind |
| 3072 | Thomas - answer - efficiency lacking in volunteers until trained |
| 3090 | Malone - ques. availability of legal counsel |
| 3118 | Guering - # of cases in court? |
| 3121 | Thomas - summary of current cases. |
| 3140 | Guering - # of hearings to expected? |

Tape #: H 76-6

RECORDER LOG

Date: 1-29-76

Reg. #: 3143

End: 3336

(3)

General Subject:

Present:

| Log # | Description |
|-------|--|
| 3143 | Thomas - cost of hearing prohibitive - 24 should go to hearing before commissioners |
| 3173 | Thomas - process of hearings - step by step - |
| 3185 | process of appeal |
| 3193 | Culinary case |
| 3213 | Thomas - attorney positions |
| 3227 | Guening - problem in prior commission with hearing? |
| 3231 | Thomas - few hearings so far - hearings test begins now |
| 3246 | Guening - how does commission feel |
| 3250 | Smith - explanation of commission concern - professional |
| 3268 | Thomas - recommendation concerning AG |
| 3274 | Buchholdt - Anchorage city ordinance |
| 3290 | Thomas - grants - discussion of municipality and state working together |
| 3317 | Lisa Rudd - on behalf of Rep Otto asked what commission was going to do about Barrow problem |
| 3328 | Thomas - disc. mgt. of police dept. |

Tape #: H76-7

RECORDER LOG

Date: 1-29-76

Beg. #: 0000

1:35 meeting

End: 0282

(5)

General Subject: Budget - Human Rts Comm.

Present:

| Log # | Description |
|-------|--|
| | discussion of prior law changes. |
| | Buchholdt - p 43 of report of cases good record of prev. years |
| 0000 | Thomas - # cases resolved vs. filed |
| 0025 | Buchholdt - # complaints from state vs private |
| 0048 | Referred to EEO office |
| 0117 | Smith - Act. Anchorage handling of cases vs state handling |
| 0145 | Malone - FY 77 budget - how do people get referrals to Human Rights. How do people find what they should do about discrimination. |
| 0184 | Thomas - written finding to respondent |
| 0216 | Malone - How does info get to people discriminated against. |
| 0236 | Thomas - Booklets coming out. Both views - employee & employer |

Tape #: H 76-7

RECORDER LOG

Date: 1-29-76

Beg. #: 050283

(6)

End: 0642

General Subject: Budget - Human Rts Comm

Present:

| Log # | Description |
|-------|--|
| 0283 | Smith - public education program |
| 0320 | Thomas - publicizing disputes |
| 0347 | Buchholdt - length of time reinstated employees stay on job. |
| 0373 | Thomas - compliance agreements |
| 0400 | Harassment after complaint is filed |
| 0454 | Malone - let's talk about #'s for coming two year |
| 0473 | Thomas - <u>Governor's proposal</u> - money and positions |
| 0493 | Thomas - travel money in budget - money for meetings and cost of flying in witnesses for hearings. |
| 0526 | Thomas - Contractual services - |
| 0567 | " - commodities |
| 0572 | " - Equipment |
| 0590 | Thomas - what's expected in federal funds |
| 0610 | Malone - what was purpose of video tapes and how distributed |

Tape #: H 76-7

RECORDER LOG

Date: 1-29-76

Seg. #: 0643

End: 1281

①

General Subject: Budget - Human Rto Com

Present: Drumming Naughton, Buchholdt, Cowper, Sub
Shraeder, I Af. and some testifiers

| Log # | Description |
|-------|---|
| 0643 | Thomas - reasons for video tape |
| 0661 | Malme - Back to Chart I in report projection 6-30-76 and 6-30-77 Rebecca Engen |
| 0674 | Thomas - explanation of chart. 1100 case backlog |
| 0721 | Malme - Analyzing work load. |
| 0762 | Thomas - ^{his} memo to staff re. Vista volunteer effectiveness |
| 0787 | Malme - re. problem procedures or no. of people? |
| 0820 | Thomas - Procedure inefficiencies field to ANC. experience people |
| 0875 | Malme asks + Smith answers "Could you do a better job?" |
| 0900 | Garzon testifies budget lack (Ex. Ketchikan) |
| 919 | Buchholdt Objects to ANC. office sent position high up |
| 0930 | Thomas: answers that budget contemplates moving. |
| 0974 | Garzon - |
| 0988 | Thomas - Lease problem. who owns the building. |
| 1027 | Malme - Efficiency evaluation method? ⁽¹⁰⁶⁵⁾ Training? |
| 1084 | Bradley - Testifies on training Cowper leaves here + that given staff - training ^{and} supervision |
| 1168 | Thomas reinforces training subject. |
| 1188 | Bradley discusses case load 1208 - Thomas: being behind Provide a mix of impact cases and others |
| 1230 | Buchholdt. P 97. what av equipm for trng.? (materials for curriculum.) |

Tape #: H 76-7

RECORDER LOG

Date: 1-29-76

Beg. #: 1282

End #: 1578

General Subject: Human Right

Present: Buschholdt Gruening Naughton, Ch. Malone
(Bob Schroeder & guests)

| Log # | Description |
|-------|---|
| 1282 | Malone: Comparing Agency Request with H.R. alternative |
| 1300 | Thomas: "Alternative A" is rec. by the Agency, discussed ^{Request} today |
| 1320 | Malone: where would a 25% cut fall? Smith - the whole process would be torn down positions Thomas: It would mean abandoning slot + educational programs for present staff. |
| ● | Malone: Gains of 25% (get rid of backlog.) |
| 1375 | Dunyon: Should maintain, or we cut travel? hearings |
| 1394 | Naughton: Shunt out new cases? (only top priority complaints) Smith: we just take complaint but nothing will happen; |
| ● | Naughton: How does this coincide with what you said your emphasis is? |
| 1435 | Malone: How do you decide case-priorities? |
| 1454 | " what is an "impact case" (affects a lot of people), a lot of people have a lot of rights at stake. It affects + encourages how st. agencies deal with theirs. |
| 1497 | Malone: Info officer was eliminated. Why? (use a ^{visa}) |
| 1518 | " Re. <u>Investigator</u> = How much time spent each job aspect. |
| ● | - Gruening leaves - Answered by 1/2 age. |
| 1550 | Malone - what complaints do you have re. internal processing Gruening returns |
| 1566 | Bradley: Respondents realize it creates exposure for them |

HOUSE FINANCE COMMITTEE
Friday, January 30, 1976
8:40 a.m.

All members were present except Rep. Itta. Others present were Alison Farnan, Fiscal Analyst of Legislative Finance; Ron Lind, Deputy Director, Budget & Management; and Kent Dawson, Director, Budget & Management.

PRESENT

The meeting was called to order to discuss HB 661.

HB 661

Rep. Buchholdt asked if community college instructors weren't already under a union and had collective bargaining. Rep. Duncan said that some were covered, but others weren't. Chairman Malone explained that this particular bill was for teachers not covered under collective bargaining.

COMMUNITY
COLLEGE
INSTRUCTORS

The committee discussed SB 499. Alison Farnan, Legislative Finance, said it was basically a general government salary schedule which changes monthly salary figures to yearly figures so that the computation of bi-monthly payments is easier.

SB 499

Rep. Naughton said there was no provision under HB 661 for paying legislature's permanent employees.

Chairman Malone commented that the bill took care of cost of living and salary increases for some employees not covered by collective bargaining. There is a bill in senate which would be, if adopted, enabling legislation for this kind of raise. They are also considering including the permanent staff of the judiciary and legislative branches. A general pay raise would automatically raise legislature again. The senate thinks that might defeat the purpose of the initiative if it is on the ballot.

Chairman Malone told the committee they must make a choice to keep the bill or send it to the senate and let them figure out what the final figures would be.

Copies of the committee substitute for SB 499 were distributed (see file). Chairman Malone said it was confusing to have the bills in different houses.

1-30-76

Chairman Malone asked for comments from Ron Lind, Budget & Management. Mr. Lind said SB 499 was originally a housekeeping measure to change salary figures to yearly figures so that they could be divided for bi-weekly pay. The sections through Section 16 deal with this.

DESCRIPTION
OF SB 499

Mr. Lind continued saying that under Section 16 deputy commissioners would receive an increase, but the new language says that no deputy commissioner can be raised to above the commissioner. Section 17 is for some of the people in the executive branch. Section 19 discusses CPI change and would do the same thing as the general government contract. Section 20 is the section not funded in the appropriation bill. It would take \$890,000 to fund it. It would give the same kind of raise to permanent employees of the legislative branch. The \$890,000 would cover legislative and judicial. The rest of the bill explains calculating and making retroactive portions of the payment. Basically it would give these people the same salary schedule as under the general government contract.

Rep. Duncan asked Mr. Lind if in order to appropriate for SB 499 it would be necessary to increase HB 661 by \$886,000. Mr. Lind confirmed this.

Chairman Malone asked how the figures had been calculated. Mr. Lind replied that the \$1.5 million for the executive branch was calculated in the same way as general government. Actual payroll data was used. The University of Alaska didn't have payroll data, so that is based on budget figures. For the costing on the judiciary and legislative branch the amounts for judges and legislators was subtracted from the total payroll. Executive branch was done in the same way.

Mr. Lind said that because of fluctuations they would prefer that the appropriation be an overall appropriation so that funding could go back and forth.

Chairman Malone asked if the figure for University of Alaska was not broken out. Mr. Lind responded that the bill said not more than that figure.

Rep. Buchholdt asked Mr. Lind if what he was saying was that he didn't think the appropriation should be line budgeted. Mr. Lind said that all of the calculations were based on what happened in the first half of the year. There is no way of knowing growth.

Rep. Cowper asked if it was customary for the governor to introduce an authorization bill in one house and an appropriation bill in the other. Mr. Lind said that originally there had been two bills and one had been pulled out.

Rep. Buchholdt asked how many employees were covered under this bill. Mr. Lind replied that he didn't have exact figures and would have to get them.

NUMBER OF
EMPLOYEES
AFFECTED

Rep. Cowper said he thought getting those figures might be a futile exercise as long as the other bill is in the senate. Perhaps this bill should be put aside until something comes out of there. Rep. Cowper said that he would like to know the positions that would be affected.

Chairman Malone asked if Mr. Lind could supply the committee with the information Rep. Cowper was asking for for the University of Alaska. Mr. Lind said everyone would be covered with the same increase, but he would have to find out what the people are paid now.

Chairman Malone said that the committee could wait for enabling legislation from the senate which ought to go through the house anyway or they could forward the appropriation for consideration there. It would be nice to get the two bills together in one place at one time to avoid slips.

Chairman Malone asked for questions. Then he said that if there was no recommendation the committee would wait for a little while. He asked Mr. Lind for the requested information so that the committee could make its own memorandum on what amount should be contained in the appropriation.

Mr. Lind and Mr. Dawson left the meeting at 9:17.

Chairman Malone said that it would be nice to have both bills in one place so that all of the appropriations could be included in one bill.

The committee discussed plans for presentations at the upcoming budget meetings.

The meeting was adjourned at 9:25.

Tape # H76-7
Beg. 1846
End 2461

Tape #: 1476-7

RECORDER LOG

Date: 1-29-76

Reg. #: 1579

(9)

End #: 1846

General Subject: Human Rights

Present:

| Log # | Description |
|-------|---|
| 1579 | Kuchholdt discusses priority given to cases |
| 1634 | " How many hearing officers? (cost 150-200 a day) |
| 1678 | Greening Re. total # of Vistas are added? (16) Alaska Plan? No Clerks other non classified. (Yes, 2 - clerical range) |
| 1710 | Naughton to Mike: Is it policy of B + M to include fed. funds in B + M budget. (answer was it was a specific person because of funding - not categorically) |
| 1730 | Thomas E. GOC We are going to get 1/2 this yr. as last I want to find out why fed. do a holdback - a deferred authorization dependent on grant modifications. |
| 1765 | Malone asks Endicott for clarification of that as grants are approved. The complex attempt to meet deadline requirements of both systems (fed + state match) uses estimates |
| 1817 | Maria Endicott: Re. Gov's BRC process, position priorities - it was a joint decision. |
| 1833 | Thomas Shanks th committee |
| 1846 | meeting was adjourned at 4 p.m. |

Mark Burnett

Tape #: H76-7

RECORDER LOG

Date: 1-31-76

Beg. #: 2461

11:30

End #: 2936

General Subject: Scheduling - Budget presentation

Present: Reps. Malone, Duncan, Akka, Hauge, Hug,
Buchholtz, Gensinger, Naughton

| Log # | Description |
|-------|---|
| 2478 | Governor's budget (\$700,000,000) |
| 2487 | Allow. for supplemental next year |
| 2497 | Federal Highway funds being released to AK |
| 2508 | Highway needs funds to match federal. |
| 2520 | Hauge views on highway funds |
| 2550 | Where did federal funds come from, what funds? |
| 2565 | Hauge - status of money |
| 2579 | Malone - base budget on revenues known at this time. |
| 2620 | Hauge - study on property tax and sales tax. |
| 2646 | - tax on oil reserves |
| 2660 | Appropriation to consider on budget. |
| 2680 | Look at capital budget. |
| | Ed. 16% |
| | NR 13% |
| | Ad of Just 5% |
| | Gen Gov/Dev 3% |
| | H4SS almost 0% |
| | Hauge. 70% |

HOUSE FINANCE COMMITTEE
Friday, January 30, 1976
2:10 p.m.

All members were present. Others present were Alison Farnan, Fiscal Analyst of Legislative Finance; Jim Edenso, Deputy Commissioner, and Pete Jeans, Commissioner, Department of Commerce and Economic Development; Rep. Mike Miller; and Jo LaRocca, press. PRESENT

The meeting was called to order to discuss HB 571. Chairman Malone introduced Rep. Mike Miller to speak on the bill. HB 571

Rep. Miller said the fishing loan people had a fund of \$5,000,000. The fund was down to \$150,000 at the time the fiscal note was written. REP. MILLER TESTIMONY

Rep. Miller said that at first his inclination was to put more money into the fund. It is one of the better revolving funds. He said it bothered him that the Veterans' fund was open ended. The Commissioner of Revenue was concerned about all funds, though admittedly he is most concerned about Veterans. The commissioner said he didn't care if the limit of \$5,000,000 was taken off as long as it was after 1-1-78.

Rep. Miller said he was endorsing the committee substitute which would put \$2,000,000 into the fund right away. This would handle the immediate fiscal year.

Chairman Malone asked the committee if they had questions for Rep. Miller.

Rep. Naughton moved that the committee pass out the committee substitute for HB 571 asking for unanimous consent.

Chairman Malone said that before asking for the question he would like to hear testimony from Mr. Edenso and Mr. Jeans. He called attention to the fiscal note and introduced Jim Edenso, Deputy Commissioner of the Department of Commerce and Economic Development.

Mr. Edenso said his department is in favor of the bill. This is a well-managed program. It is near complete depletion of the reserve funds. The committee substitute bill which provides for a ceiling of \$7,000,000 and an additional \$2,000,000 for a later date will provide sufficient funds until the ceiling concept is removed.

Mr. Edenso continued saying that in 1976 to date 46 loans have been approved of \$2,234,750.

Chairman Malone asked if the limit of \$100,000 on loans was a realistic one. Mr. Edenso said it was realistic. The average size loan is \$55,000 and \$65,000. There are a number of vessels where loans have gone for the \$100,000 limit.

\$100,000
LIMIT

Rep. Itta asked about eligibility requirements for loans. Mr. Edenso replied that the recipient must be a resident of the state, experienced in fishing, have the necessary permit for that kind of fishery, and be able to show the ability to repay the loan through fishing and enhanced employment experience. Chairman Malone directed the committee to a brochure of the loan program regarding eligibility (see file).

ELIGIBILITY

Rep. Haugen asked if more collateral than the vessel was required. Mr. Edenso responded that generally the vessel was enough. The loan value of a vessel is 75% to 85%.

COLLATERAL

Chairman Malone asked if this program was fostering development of a modern fishing industry. Mr. Edenso said that in 1974 5 loans of \$100,000 were made, 27 loans altogether; in 1975 7 loans of \$100,000, 68 loans altogether; in FY 76 to date there have been 4 loans of \$100,000.

NUMBER
OF LOANS

Rep. Haugen asked if this was a revolving loan fund. Mr. Edenso said it was. Rep. Haugen asked if the shop charged overhead against the revolving loan fund. Mr. Edenso said they retained one-half of 1% for administrative purposes. Rep. Miller interrupted saying it wasn't a true revolving fund because all of the interest didn't go into the fund. After the lid is taken off they won't need money coming back in. He said there probably was some merit to keeping a \$2,000,000 limit for the next few years.

REVOLVING
FUND

Mr. Haugen mentioned that boats can cost a lot of money. Mr. Edenso said many of the vessels that are financed are financed for the boat plus the gear.

On the subject of collection, Mr. Edenso said their experience had been very good. He said that this year because the fishing season was so poor they had to make nine extensions, but all have paid their interest. Only one loan is in foreclosure-- that is less than 5%. Rep. Cowper asked if that was 5% of the number of loans. Mr. Edenso confirmed this.

COLLECTION

Rep. Gruening asked if the loans that had to be extended were the larger loans. Mr. Edenso said they weren't--there had been no trouble with the bigger loans.

Mr. Edenso said that there were 144 loans on the record and that 105 loans have been closed.

Rep. Gruening asked if the loan limit was raised was there a point at which it would promote more efficient equipment. Mr. Edenso answered that that was a likelihood, but that they might need more than \$2,000,000 then.

LOAN LIMIT

Rep. Gruening asked if with more money they could get into more diversified fishing. Mr. Jeans, Commissioner of the Department of Commerce and Economic Development, said that doubling the ceiling would not help. It would take \$300,000 to get into crab boats. The \$100,000 is adequate for ground fishing.

Mr. Jeans said they required a first lien on first loans. They have gone together with the bank on some vessels that have gone to \$400,000 or \$500,000.

Chairman Malone asked for more questions.

Rep. Naughton asked what was meant by "delinquent". Mr. Jeans said that on the six loans that were delinquent, the longest is 70 days.

DELINQUENT
LOANS

Chairman Malone called for a question. The motion is that the committee report out the Resource committee substitute for HB 571. He asked for discussion and objections.

1-30-76

Chairman Malone asked how many "do passes" there were. The majority recommended that the Resource committee substitute be reported out with a "do pass" recommendation.

The committee report was circulated and the Resource committee substitute for HB 571 was reported out with a "do pass" recommendation.

RESOURCE
CS HB 571
"DO PASS"
RECOMMENDATION

The meeting was adjourned at 2:40. The committee immediately reconvened to discuss budget matters.

Tape # H76-7
Beg. 2936
End 3301

Tape #: H 76-8

RECORDER LOG

Date: 1-30-76

Beg. #: 0000

2:45

End #: 2020

General Subject: Scheduling - Budget Presentations

Present: Reps: Malone, Buchholdt, Duncan, Atta, Naughton, Huy, Hauge, Guering, Cooper

| Log # | Description |
|-------|--|
| 0000 | Jim Duncan - Monday afternoon pres. |
| 0041 | Naughton - ^{Tues} morning + afternoon pres. |
| 0093 | Atta - Wednesday + Thursday (H+SS) pres. |
| 0134 | Malone - update on Alaska Plan Budget |
| 0189 | Travel plans - Guering |
| 0220 | Education budget review - 9 th + 10 th (mornings) open |
| 0294 | Transportation - Ask Marine Hays for plans for year - schedules for ships |
| 0534 | 2-6-76 Admin of Justice, Pub. Protection |
| 0539 | 2-7-76 Highways (Transportation) |
| 0571 | Question - Will entire category be reviewed? Discussion |
| 0657 | Transportation - Hays and Public Works |
| 0720 | Marine Hays including capital budget, 2-11-76 |
| 0769 | Malone read U of A letter, Hiatt |
| 0843 | Move Marine Hays to Thursday, 12 th |
| 0882 | University of Alaska 2-11-76 |
| 0943 | We'll wait for fisheries recommendation |
| 0960 | Bond referrals |

Tape #: H 76-8

RECORDER LOG

Date: 1-30-76

Req. #: _____

End #: 2000

General Subject: _____

Present: _____

| Log # | Description |
|-------|---|
| 1020 | Natural Resources - Discussion Naughton news |
| 1080 | FRED |
| 1100 | General Discussion about committee |
| 1230 | Jay Hogan - Explanation of Operating Budget Development booklet |
| 1490 | Status of Alert System (computer terminal) |
| 1503 | Status of Budget workbooks |
| 1525 | Hogan - suggestion - if there was access to governor's budget when it's set, Feb Jan. 1, the workbooks could get to you sooner (second week of session). |
| 1620 | Computer terminal discussion |
| 1743 | Scheduling |
| 1757 | Duncan - Development category - Guy Martin to talk on native claims. Hallagher on bond bank. Veterans loans, Agriculture loans |
| 1822 | Loan Programs |
| 1835 | Duncan - Tourism - Montague |

Tape #: H 76-8

RECORDER LOG

Date: 1-30-76

Beg. #: _____

End #: _____

General Subject: _____

Present: _____

| Log # | Description |
|-------|--------------------------------------|
| 1844 | Duncan - Gen Govt Warwick & Parisi |
| 1873 | " - Highway working capital |
| 1886 | Duncan - DP DP |
| 1969 | Natural Resources |
| | Naughton - List + Home, Natural Res, |
| | PIR, Min Resources, Coastal Dev Erie |
| | Cons, DP DP |
| | DP ² a.m. others p.m. |
| | 4:20 p.m. adjourn |

To: Hugh Malone, Chairman of House Finance Committee

From: Ed Naughton, Chairman of House Finance Subcommittee on NRMEC

Date: January 28, 1976

Subject: Report on Natural Resources Management & Environmental Conservation

The Natural Resources Management and Environmental Conservation Category has the largest increase of all the categories in the Governor's Budget, and from this, one can draw the conclusion that resource management is of a high priority in the Governor's program. The increase for NR Management and EC is 17% over 1976 authorized (adjusted). The increase over authorized expenditures is 30%. To put this in perspective, the average increase in all categories is 8%.

There are 65 new positions (PFT) authorized in this category, whereas, taken on the average the total budget sees a 37 pcn increase per category. The 65 new pcns represent an increase of 19%.

The FY77 budget for ADF&G, Fisheries Rehabilitation, Enhancement and Development Division more than doubles the amount spent last year. There is a definite shift of emphasis toward fisheries in this budget proposal. The Commercial Fish Limited Entry Commission has a budget growth that more than doubles this year's authorization of \$932,400 to \$1,934,100.

Dept. NR, Division of Parks is slated for a 30% increase, and this does not include the Talkeetna Mountains State Park proposal.

The Dept NR, Administration and Support function is also experiencing a doubling in funds. Like fisheries, the land and water resources are definitely to get increased attention.

As to the question of too much, and too little funding, I think we shall have to look carefully to FRED to be sure they will be capable of the proposed growth, keeping in mind the fact that we have seen funds in significant quantities pumped into this agency and discover years later that nothing has been done. Hopefully, the experts in the field will be allowed to make site selections for this activity, as I feel that sites selected for political purposes, has led to failures in those programs carried out in the past. If we are serious about producing more fish, I think we will have to get beyond that decision, at least.

As to too little funding, it is without doubt that the Village Safe Water Act funding meets that criteria.

One aspect of this category that needs elucidation is the status of state land selections under the statehood act. It is important that this Legislature have a grasp of future resource development and the likely direction that that development will take.

JAN 27 1976

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

JAY S. HAMMOND, GOVERNOR

OFFICE OF THE COMMISSIONER

POUCH H-01 - JUNEAU 99811

January 20, 1976

The Honorable Chancy Croft
President of the Senate
Pouch V
State Capital
Juneau, Alaska 99811

Dear Senator Croft:

This is in response to your questions regarding the preparation of the 1977 Proposed Social Services Plan for Alaska. I hope the following information will be helpful to you:

Public Hearings

The State is not required to conduct public hearings on the Proposed Plan for Social Services under Title XX; however, it is felt that this procedure allows the people of Alaska a more direct opportunity to participate in social services planning which affects them. By utilizing the public hearing procedure, the state agency is better able to explain specific social services and to interpret the content of the plan. Tentatively, public hearings on the 1977 Proposed Social Services Plan will be held after its publication approximately March 29, 1976. At this time, however, hearing schedules have not been established. The Proposed Plan itself will contain a list of scheduled public hearings.

Needs Assessment

The Social Services needs assessment will be conducted prior to the writing of the 1977 Proposed Social Services Plan. A needs assessment questionnaire was developed to identify social service needs in Alaska for Plan Year 1976; however, due to the fact that the 1976 budget was decided upon before receipt of the final federal regulations for Title XX, the State of Alaska was obligated to adhere to the allocation of money already written into the 1976 budget. Consequently, this needs assessment questionnaire, inventory of services and additional planning material will be utilized for planning the 1977 Proposed Social Services Plan. The needs assessment for Social Services under Title XX is generally a one-time assessment each year. However, it is our intention to assess needs for social services on an on-going basis throughout each program year.

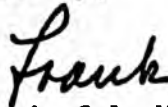
It is tentatively planned that during the 1977 plan year, the needs assessment will include evaluation of work load standards for social

Senator Chancy Croft
Page 2

services staff in order to determine the potential maximum case loads per social worker. This will help us determine a reasonable level of cost for services. Other elements of the needs assessment during Plan Year 1977 will include an evaluation of the Foster Care Services study and the Report on Child Welfare Services of Alaska, (we presently await receipt of a copy of that report) performed by the Child Welfare League of America, Inc. Further evaluations will be made in Foster Care Services during Plan Year 1977 for self-assessment utilizing "Standards for Foster Care Services Systems" by the American Public Welfare Association. (The primary purpose of this study is to insure that children are not retained in Foster Care inappropriately for longer lengths of time than is necessary to achieve treatment goals.) This assessment will be done with technical assistance by American Public Welfare Association and the Office of Child Development, HEW.

Please note that a description of the needs assessment process will be included in the 1977 Proposed Social Services Plan Year publication. I hope that I have satisfactorily answered your questions. If I can be of further assistance regarding Title XX or any other programs within the Department of Health and Social Services, please do not hesitate to contact me.

Sincerely,



Francis S.L. Williamson
Commissioner

cc: Committee members Senate Finance Committee
Committee members House Finance Committee
Committee members Senate Health, Education, and Social Services Committee
Committee members House Health, Education, and Social Services Committee

HOUSE FINANCE COMMITTEE
February 2, 1976
8:40 a.m.

Chairman Malone called the committee to order with all members present excepting Rep. Duncan. Also present were budget analysts Alison Farnan and Milton Barker of Legislative Affairs.

PRESENT

Rep. Naughton gave a report of the committee substitute for HB 553 on risk management and loss prevention in state government. The wording changed in Section 1. (b) to read: "There is established a permanent revolving fund known as the risk management fund in the Department of Administration for the payment of insurance premiums, uninsured losses, deductibles, and advance payments of insured losses. The department shall report to the legislature twice annually all activities and balances of the fund."

CSHB 553

Lines #2, 3 and 4 formerly gave absolute discretion for use of the funds to the Department of Administration.

TWICE ANNUAL
REPORT

Rep. Cowper moved and asked unanimous consent to report out CS HB 553. It received a "Do Pass" unanimously. During the discussion, Guy asked what the amount of the fund would be. Naughton said the fiscal note indicates "zero" cost, but when he had asked, they skirted the issue and it could be a very substantial fund. Perhaps two or three million dollars a year would remain in the fund.

THE AMOUNT OF
REVOLVING FUND

Rep. Cowper then pointed out the insurers' premiums vary so much that they cannot make a good estimate right now because they are still waiting to see how much the premiums will be reduced as they pick up the deductible. (We should watch this next year, he said.)

Chairman Malone said the of the 7.4 million dollar figure, a portion of that will be in the fund for deductibles, some for re-insured losses and some for advancement on uninsured losses. He said they estimate two million dollars a year would be in the fund.

DO PASS

This portion of the meeting ended. The committee continued on into review of the budget document, in the Department of Fish and Game section. (See Log.)

CONTINUATION
INTO BUDGET
MEETING

Tape: H768 Begin: 1961 End: 2120
mb

Tape #: H 76-8

RECORDER LOG

Date: 2-2-76

Beg. #: 2368 1:35

End #: End of Tape

General Subject: Operating FY 77 budget Gen's Govt (Statewide Planning) + NRM&C (Coastal Zone Mgmt)

Budget + Mgmt: Ron Lund + Tom Barnes, Allison Farnen
Present: Bob Wieda, Kay Alred, Connie Barlow, Tom Marchese,

Hois office, Div. of Policy Dev and Planning; Glen Aikens
Rita Buchholdt, Atta, Cowper, Gruening, Haugen, Guy Duncan, Naughton

| Log # | Description |
|-------|---|
| 2:368 | Statewide Planning: General discussion overview of agency |
| 1:35 | S.E. Task Force Forest Affairs Council |
| 1:50 | Clearinghouse (Buchholdt questions) |
| " | Regional Profiles (" ") |
| 2:05 | Planning Assumptions to agencies on future planning, growth for budgets |
| 2:20 | positions + vacancy + job description list provided ^{will be} |
| 2:30 | Coastal Zone Mgmt: Atta to Aikens re communications |

Tape #: H-76-9

RECORDER LOG

P1

Date: 2/2/76

Seg. #: 0001

3:25

End #: 1953

General Subject: Operating budget development w/ Dept. of Comm + Ec. Dev.

Present: all HFC members + Rep. Rudd

Alison Farnan; Budget + mgmt: Janet Sheen, Dawson, Lind

Commiss. Motley; Dep. Comm Edenso; Adm. officer Lois Cook; Eakins, Director Econ. Enterprise

(Press: Pratt)

| Log # | Description |
|--------------------------|---|
| 000/3:25 | Commissioner's Presentation - department overview Power Development |
| Public Protection budget | 2 new banks, 7 new branches; Securities 1st time indictment; Insurance (700 companies) malpractice; workmen's comp; occ. licensing: we have report, credential review committee legislation / public members on each board of consumer protection 22 licensing boards Clean up central licensing act |

DEVELOPMENT BUDGET

2:35 Veterans Loans
 comm fishing loans
 business loans

3:55 tourism "
 Tourism development

4:05 Econ. development
 diversification - all programs
 fish processing monopolies outside
 Research + Analysis - Forecasting - Services
 Publications, State Model

4:20 gen'l PP + Dev B
 Tourism

Tape #: H 76-9

RECORDER LOG

Date: Feb 3 1976

beg. #: 1954

Incorrectly on fast speed

End #: 3260

END OF TAPE

General Subject: General Budget: Community and Regional Affairs
Alison Zannon, Buchholdt, Manning, Itta.

Present: Chairman Maline. Cowper, Neuman, Haugen, Guy, Naughton

Buchholdt: Also: Commissioner

Dim C + R Affairs - Palmer M. Carter, Don Wilson, Kevin Warring, Lynn Waggoner
Janet Green, Sam Costen; Kent Dawson - Office of Revenue

| Log # | Description |
|----------|--|
| 2224 | 3 legal assistance grant requests - none approved |
| 2348 | The criteria to receive legal grants |
| 2460 | Maline asks for copies of grants: regulations |
| 2490 | Rural Assistance Program: Mr. Wilson Grants FY 75 - List Field staff monitors each grant - How many \$ in grant apps. How long does it take you to reply to grant APS? How do you work w/ OTHER AGENCIES? HOW ARE BUDGETS PREPARED? |
| 3000 | WHAT WILL PRIORITIES BE FOR FY77? (BULK FUEL STORAGE). |
| 3020 | LOCAL BOUNDARY COMMISSION P. 346 GUY QUESTIONS - NO SURVEY REQ IF NOTICES BOUNDARY ERRORS MADE + HEARINGS MUST BE HELD FOR RE-ADJUSTMENT - RESPONSIBILITY LIES WHERE? NON-RE. HELP IS FOUND IN LT. GOV'S OR HOW? ^{OR SMALL TOWNS} |
| 3102 | - LOCAL ASSISTANCE PROG COMMUNITY PLANNING (TROUBLE SHELTERS) |
| 3165 | Buch: WHAT DO "CIRCUIT RIDERS" DO? (LOCAL GOV'T SPECIALISTS) |
| 3247 | GRUEN: DO THEY COORDINATE PROGRAMS - ASSIST IN GRANTS ETC. 20 COMMON IN FOUR REGIONS. SELECTION HAVE A LOCAL PUBL SRVC. AID. |
| 3335 | GUY? - ANSWER IS IT IS UNDER STATE ASSESSOR. ^{SCHOOL} FORMULA FOR FOUNDATION PROG. UNDER ORGANIZED JURISDICTIONS. |
| TAPE OFF | ELIGIBLE FOR FOUNDATION TAX: 7 OR 8 COMM. WHO DO ^{NOT} ASSESS THEMSELVES WARRING TESTIFIES - VILLAGES AND C+RA AS A TRUSTEE |

Log #: 0000

896-H

7:17 pm

End #: 2364

General Subject: Administration - FY 77 Gen Govt

Present: Reps Malone, Hange, Gueing, Guy, Cooper, Bushholdt, Duncan, Otto, Alison Tison, Jim Rhode - Leg Finance, Warwick Comm. of Admin. Pat Hunt, Personnel, Bill Mullin, Finance, Kent Dawson, Budget + Mgt.

| Log # | Description |
|-------|--|
| 0000 | meeting convened at 7:17 |
| 0033 | Andy Warwick - service & regulatory functions of Administration - division within Administration |
| 0097 | evaluation of programs |
| 0138 | goals goals - data processing |
| 0202 | Budget + Mgt. - staffing study |
| 0236 | data processing - bill-out system |
| 0277 | Employee info system |
| 0304 | Remainder of budget - |
| 0309 | Contracting key purch work |
| 0336 | Malone - question on operation - how was mgt. study funded? |
| 0340 | Warwick answer |
| 0398 | Data processing - contracting work out |
| 0428 | Termination of data processing employees |
| 0512 | Definition of contractual agreement |
| 0536 | Anticipated savings |
| 0543 | Dawson - differences in productivity |
| 0647 | Malone - setting standards for state productivity |

Tape #: H 76-11

RECORDER LOG

Date: 2-3-76

Beg. #: _____

End #: _____

(2)

General Subject: Admin - Gen Gov't Budget FY 77

Present: _____

| Log # | Description |
|-------|---|
| 0695 | Experience with contracting |
| 0740 | State vs. private key-punching jobs |
| 0790 | How much saving through elimination of data processing |
| 0831 | Competition for bid |
| 0858 | Bill-out system - when could it be done |
| 0970 | Allocation of monies before bill out system |
| 1000 | Dawson - how many reports worthwhile |
| 1020 | What's happening in data processing and what's planned for new year |
| 1058 | Communications networks |
| 1072 | Savings in paper cost - microfilm |
| 1094 | Voter registration - purge the list |
| 1137 | Update of personnel lists |
| 1205 | Personnel functions of Dept of Admin |
| 1221 | Pat Hunt - Personnel system - union control |
| 1273 | Goals for Personnel listed by Malone - how carried out |
| 1299 | Recruiting |

Tape #: 14-76-11

RECORDER LOG

Date: 2-3-76

Beg. #: _____

End #: _____

General Subject: Admin - Gen Govt Budget

Present: _____

| Log # | Description |
|--------|---|
| 1313 | Recruitment outside Alaska |
| 1320 | management vs. clerical |
| 1337 | Orientation to state of Alaska |
| 138.5 | Criteria for employment in departments |
| 1435 | Def. of merit for employment |
| 1445 | Departmental evaluation vs. vs. Personnel |
| ● | Disc evaluation on decision-making jobs |
| 1500 | Hunt explanation |
| 1538 | Constitution is meant to protect employees. |
| 1574 | Volume of people seeking state jobs |
| 1590 | Fish & Game college requirement for jobs not often necessary - Rep. Hauge |
| 1633 | Department's set personnel requirements |
| 1680 | Majority of state employees from what location |
| 1740 | Payroll + Accounting |
| 1744 | checks on time? late pay provision |
| ● 1773 | Payroll system design - Mullin |
| 1786 | Advantages of new system - flexibility |
| 1826 | Price tag of new system - \$1,000,000 |

Tape #: H 76-11

RECORDER LOG

Date: 2-3-76

Beg. #: _____

End #: _____

General Subject: Administration - Gen. Govt Budget

Present: _____

| Log # | Description |
|-------|--|
| 1831 | When will it be on-line - |
| 1856 | Update of personnel lists |
| 1905 | Termination of temporary employees |
| 1930 | Printouts to bargaining units |
| 1973 | Payroll contracts |
| 1985 | No additional payroll contract costs above amount funded. Copies of contracts to Mr. Duran |
| 2009 | If additional costs when would you know - tests in April & May. |
| 2044 | Payroll system tests |
| 2066 | Malone - Highway working capital fund |
| 2092 | Replacement cost in user budgets |
| 2123 | Highway working capital fund can better control needs |
| 2153 | See equipment in original highway working capital fund |
| 2171 | Dawson - explanation of list for capital replacement - specific vehicles |

Beg. #: _____

End #: 2364General Subject: Admin - Gen Hout Budget

Present: _____

| Log # | Description |
|-------|---|
| 2200 | <u>Haug - Abuse in fund</u> |
| 2209 | <u>Dawson - Problem with charge-back system</u> |
| 2222 | <u>Dept. of Highways list</u> |
| 2248 | <u>Comments from Andy Warwick</u> |
| 2250 | <u>Personnel system</u> |
| 2273 | <u>Duncan - question on labor relations agency</u> |
| 2288 | <u>Hunt - contractual person</u> |
| 2300 | <u>Warwick - agency is independent</u> |
| 2312 | <u>Hunt - There are additional things the agency should do.</u> |
| 2340 | <u>Meeting set up between Finance Committee and Bond Council.</u> |
| 2364 | <u>adjourned 9110</u> |

Tape #: H 76-10

RECORDER LOG

Date: 2-3-76

Beg. #: 0268

1:15 - 4:30

End #: 2500

FISH AND GAME HEARING

General Subject: Budget Review - F & G 1:15 p. Natural Resource Program
present: Cowper Buchholdt Gruening, Itta, Naughton, Guy

Present: Duncan (lute)

Guests - Jeff Morrison, John Stewart, Carl Posie, Commissioner Brooks
Lobbyist Sharon Lohaug, Millie Arlove, Bob Schroeder ^{Bill Ross}

| Log # | Description |
|-------|---|
| 0268 | FY 77 Budget Goals, esp. commercial fish, fish rehabilitation, habitat |
| 0 | BROOKS: Budget reflects maintenance or below taking into consideration inflation. The Stock-Separation Study (Improving managing distribution of escapement, is an exception. |
| M | FRED. - 10% increase; (a "mainten. level" budget). Habitat 13% increase, a "maintenance" level. Sport & Game fish are not maint. level program. |
| | OPERATION BUDGET DOES NOT REFLECT ASPIRATIONS RE. FISH PRODUCTION |

0 632 Malme what do you plan to do as a Dept.?

1750 Brooks explains commercial harvest. ^{Kim Salmon} Jap. take 400,000 of Western Salmon
to 950 origin to each one we take. 6 lbs - immature stage. 130,000 is our own
take Bristol Bay - LONGTERM outlook is POOR ^(between 20-24 lbs) their take on Chums is incident on the Bering Sea.
Hopes are on chum. 99% resident fishery on Yukon (?) River area

965 Bristol Bay by 78-79-80, it could due to escapement now, be as good as ever

990 Alaska Peninsula

1018 Kodiak - work on chums better on pinks, reds very weak ^{COOK ENIG had an average season. upper 'is down - however BEEN}

↓ Prince Wm Sound, Copper or Delta, Yakutat, SEastern: MINGMT. HAS CONSERVATIV

1280 THE PHILOSOPHY OF STOCK MANAGEMENT ^{Management specifics re. seeding, seasons etc. CONSIDERED}

1350 RACE EXTINCTION = HARVEST DISTRIB. IMPACT = ALL RACES NEED TO BE "VALUABLE

1400 NAUGHTON: WHAT'S INVOLVED IN STOCK SEPARATION? ^{NEWLY DEVELOPING- TECHNOLOGY EXPLAINED}

↓
1520 Buchholdt: Relationship between the anticipated dips + the improvements in the forecasting records. →

Tape #: H76-10

RECORDER LOG

Date: 2-3-71

Beg. #: 2510

page 2

End #: end of tape

1:15 - 4:30

General Subject: FISH + GAME BUDGET

Present:

| Log # | Description |
|---------------------------------|---|
| 2510 | discussion of the location of facilities : criteria = none has developed a handbk for ALC. |
| 2600 2600 2828 | Positions from capital funding? (2 biologists)? (Malone) BROOKS - one p. in C Fisheries out of bond issue money has transferred \$55,000 into Revolving Planning Fund. |
| 2860 | Malone Building has to be accomplished out of the bond issue. Why aren't you spending the \$ we give you? We have analyzed the Buckholdt leaves - time sequence - analysis plan for program. |
| 2700 | Haugen MONT CR. SWITCHED - FISH CR. TO BE ACTIVATED IN FEB. \$120,000 300,000 capability. SELL THE BARGE IN KETCH. AQUACULTURE UOFA \$405,000 WASTE; LOT OF RESIDUAL FUNDS = CLEAN THEM UP, REAPPROPRIATE \$3,000 SIDE-SCAN SONAR? PUT \$ INTO CRIPPLED PROGRAMS INSTEAD. |
| 2825 | MALONE } WHY AREN'T YOU USING THE \$ WE GAVE YOU? BROOKS REPLIES HAUGEN } JUDGED NOT TO BE WORTHWHILE \$ IS NOW LAPSED. YES. |
| 2850 | MENDENHALL REPRINE FUNDS > MALONE! WE NEED TO RUN LIST/BAL DOWN THE FROM END OF JAN. |
| 2946 | Wolf Central discussion begins |

CORRECTION

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

Tape #: 476-10

RECORDER LOG

Date: 2-3-76

Beg. #: 0268

1:15 - 4:30

End #: 2500

FISH AND GAME HEARING

General Subject: Budget Review - F & G 1:15 p. Natural Resource Program

present: Cowper, Buchholtz, Gruening, Itta, Naughton, Roy

Present: Duncan (late)

Guests - Jeff Morrison, John Stewart, Carl Rosier, Commissioner Brooks

Lobbyist Sharon Lohaug, Mille Arclive, Bob Schroeder ^{Bob Rays}

| Log # | Description |
|-------|--|
| 0268 | FY 77 Budget Goals, esp. commercial fish, fish rehabilitation, habitat |
| 0 | BROOKS: Budget reflects maintenance, or below taking into consideration inflation. The Stock-Separation Study (Improving managing distribution of escapement, is an exception. |
| 0 | FRED - 10% increase; ("mainten. level" budget). Habitat 13% increase, a "maintenance" level. Sport & Game fish are not maint. level program. |
| 0 | OPERATION BUDGET DOES NOT REFLECT ASPIRATIONS RE. FISH PRODUCTION |
| 0 | 132 Malone what do you plan to do as a Dept.? |
| 0 | 1750 Brooks explains commercial harvest. ^{King Salmon} Jap take 400,000 of Western Salmon. |
| 0 | to 950 origin to each one we take. 6 lbs - immature stage. 130,000 is our own |
| 0 | take ⁽²⁰⁰⁰⁰⁾ Bristol Bay - LONGTERM outlook is POOR. ^(between 20-24 lbs) Their take on Chums is incident on the Bering Sea. |
| 0 | Hopes are on chum. 99% resident fishery on Yukon (?) River area. |
| 0 | 965 Bristol Bay by 78-79-80, it could due to escapement now, be as good as ever |
| 0 | 980 Alaska Peninsula |
| 0 | 1018 Kodiak - weeks on chums better on pinks, reds very weak. ^{COOK ENIT had an average season - upper is down - HARVEST BEEN} |
| 0 | Prince Wm Sound, Copper R Delta, Yakutat, S Eastern: MNGMT. HAS CONSERVATION |
| 0 | 1280 THE PHILOSOPHY OF STOCK MANAGEMENT ^{Management specifics re. seeding, seasons, etc. CONSIDERED} |
| 0 | 1350 RACE EXTINCTION = HARVEST DISTRIB. IMPACT = ALL RACES NEED TO BE VALUABLE |
| 0 | 1400 NAUGHTON: WHAT'S INVOLVED IN STOCK SEPARATION? ^{NEWLY DEVELOPING- TECHNOLOGY EXPLAINED} |
| 0 | ↓ |
| 0 | 1520 Buchholtz - Relationship between the anticipated dips & the improvements in the forecasting records. → |

- 1550 Pink Salmon runs, explained as cyclic example. Bristol Bay is atypical. We don't know we have until the fish show. Kodiak is more predictable.
- 1575 Haugen: mortality King vs Chem Harton, Kotzebue S. Why hasn't Japanese "take" shown up in Chem-tube?
- 1600 We R - surprised the Kering Sea return, on Yukon is so much better than S.E. Brooks speculates.

- 1655 Abstention Line, 200 mile limit.
- 1670 Haugen - Quality? (Poor, but eggs are so valuable ~~\$\$\$~~)
- 1730 "The fish should be harvested where they are most valuable." Employment in areas where quality is poor - we need to spend \$ in the areas where the quality is — Comparison of runs.
- 1780 Up-River Yukon people have rights, also. Down River areas show quality differences.

1849 A RECESS UNTIL 3
50 NEW MEETING - REHABILITATION + ENHANCEMENT

60 BOB ROY'S TESTIMONIES F.R.E.D. technology, gearing up, with personnel. "WILDLIFE ^{COOPERATION} ~~WILDLIFE~~ INC in business of developing vaccines for fish" (also Johnson + Johnson) companies around the Pacific Rim are willing + states

- 2000 to commit large sums \$ for salmon
- 2013 What fish diseases are in Arctic fish? 5 MAJOR DISEASES - ALL FISH
- 2065 Quality control explained.
- 2085 QUESTIONS SNAKE R PROJECT ~~RED~~. SOURCES OF FUNDING, HAUGEN ASKS FOR A BREAKOUT ON THIS. LEASE OF LAND.

2135 Naughton: BOND ISSUE, INCUBATION SYSTEM - FRED \$13,825,000
SITE SYSTEMS LISTED.
↓
ANSWER.
2191 WHAT TIME WILL VOTERS GO FOR ANOTHER BOND ISSUE?

2240 DESIGNS OF PLANTS - WHO OWNS - HOW RE-USED - READJUSTMENTS OF DESIGN CONCEPTS - TYPES OF MODIFICATIONS

2272 BROOKS RE. DESIGNS NEED INTERIOR STANDARDIZATION ON EQUIPMENT
LOW PER and GRUENING LEAVE

2306 MALONE: PROCESS OF CONTROLLING DISEASE. TECHNIQUES: OZONE, U.V. BEST IS GOOD HYGIENIC CONDITIONS (WATER, ETC) SINGLE BY-PASS WATER SYSTEM AND DIET.

2400 NAUGHTON WHAT IS FISH FOOD DEVELOPMENT IN OREGON. WE ARE HOPEFUL TO SEE FISH FOOD PRODUCT PROCESSING IN AK.

2500 HOW IS SITE SELECTION GOING ON THE COUNCIL?
WHAT ARE THE PRIORITIES?

1550 Pink Salmon runs, explained as cyclic example. Bristol Bay is atypical. We don't know what we have until the fish show. ^{Feb. 3 1976} Kvalvik is more predictable

1575 Haugen: mortality King vs Chem Hurt., Kotzebue S. why hasn't Japanese "take" shown up in Chem-take?

1600 We R. surprised the Kering Sea return, on Yukon is so much better than S.E. Brooks speculates.

1655 Abstention Line, 200 mile limit.

1670 Haugen - Quality? (Poor, but eggs are so valuable ~~###~~)

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1780 Up-River Yukon people have rights, also. Down River areas show quality differences.

1849 A RECESS UNTIL 3

50 NEW MEETING - REHABILITATION + ENHANCEMENT

60 BOB ROYS TESTIFIES F.R.E.D. technology, gearing up, with personnel. "WILDLIFE ^{CONSERVATION} ~~MANAGEMENT~~ INC" in business of developing vaccines for fish" (also Johnson + Johnson) companies around the Pacific Rim are willing + States

2000 to commit large sums \$ for salmon.

2013 What fish diseases are in Arctic fish? 5 MAJOR DISEASES - STILL FISH

2065 Quality control explained.

2095 QUESTIONS SNARE PROJECT ~~ED~~. SOURCES OF FUNDING, HAUGEN ASKS FOR A BREAKOUT ON THIS. LEASE ISLAND.

2135 Naughton: BOND ISSUE, INCUBATION SYSTEM - F.R.E.D. \$ 3,825,000
SITE SYSTEMS LISTED.

↓ ANSWER.

2191 WHAT TIME WILL VOTERS GO FOR ANOTHER BOND ISSUE?

2240 DESIGNS OF PLANTS - WHO OWNS - HOW RE-USED - READJUSTMENTS OF DESIGN CONCEPTS - TYPES OF MODIFICATIONS

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COWPER and GRUENING LEAVE

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WHAT ^{ARE} THE PRIORITIES?

Tape #: H76-10

RECORDER LOG

Date: 2-3-76

Beg. #: 2510

page 2

End #: end of tape

1:15 - 4:30

General Subject: FISH + GAME BUDGET

Present:

| Log # | Description |
|---------------------|--|
| 2510 | discussion of the location of facilities: criteria - name has developed a handbook for ALC. |
| 2600 2600 228 | Positions from capital funding? (2 biologists)? (Malme) BROOKS - one p. in C. Fisheries out of bond issue money has transferred \$55,000 into Revolving Planning Fund. |
| 2860 | Malme Building has to be accomplished out of the bond issue. Why aren't you spending the \$ we give you? We have analyzed the Bushholdt leaves - time sequence - analysis plan for program carryout. |
| 2700 | Haugen MONT CR. SWITCHED - FWH CR. TO BE ACTIVATED IN FEB. \$120,000 300,000 capability. SKILL THE SARGE IN KETCH. AQUICULTURE UOFA. \$25,000 WASTE; LOT OF RESIDUAL FUNDS = CLEAN THEM UP RE APPROPRIATE \$3,000 SIDE-SCAN SONAR? PUT \$ INTO CRIPPLED PROGRAMS INSTEAD. MALONE } WHY AREN'T YOU USING THE \$ WE GAVE YOU? BROOKS REPLIES |
| 2825 | HAUGEN } JUDGED NOT TO BE WORTHWHILE \$ IS NOW LAPSED. YES |
| 2850 | MENNENHALL REPAIR FUND? MALONE: WE NEED TO RUN DOWN THE LIST/SAL FROM END OF JAN. WE'VE BEEN GETTING BURN INFORMATION, ALL BOND ISSUE IS SPENT |
| 2946 | Wolf Control discussion begins |

HOUSE FINANCE COMMITTEE
February 3, 1976
1:15 p.m.

Hearing on Wolf Control

Included as a segment of the Budget Presentation of the Department of Fish and Game for FY77. Commissioner Jim Brooks was asked to comment on this subject toward the end of the afternoon meeting:

Malone: As I understand it the state has the responsibility in the area of game management. How can there be conflicts between attitudes as far as game management goes and how is it going to be resolved as far as wolf control? The reason I am asking that question is the list in my district, the Advisory Board of Fish and Game there, felt very strongly that the state had the responsibility and they didn't appreciate the interference on the part of the federal bureaucracy. But what does there eventually happen?

Brooks: I see every continuing erosion of the state's ability to manage resident wild life on federal land. There is no question but what the state can manage wildlife on state lands, and traditionally the states experience management restrictions over wildlife wherever they occurred, on federal lands or private lands, but the basis for this is not explained out anywhere but is an authority that is not addressed in the constitution, is not managed as one of the perogatives that the state has relinquished to the federal government, and so it has always been assumed that not having given up this right to the federal government, that the state still inherently possesses it. On the other hand, if the federal government wishes to take action to preempt a certain area of jurisdiction, there is apparently little question but what the supremacy clause of the constitution does allow that and on these, (particularly on the federal wildlife refuges the word is such that one might say that the federal government has grounds for preempting management jurisdiction over the life (undecipherable), but in fact, they have not as a practise exercised it. But whether they elect to exercise it, they have always made it stick and the states have never been successful in challenging the federal government in those situations. However, there has usually been a tacit understanding among all states and federal agencies that the states would have the right to management of resident fish and wildlife on public domain federal lands. And that held

now in that same court in about 2-1/2 weeks. The problem there is that the money you were using was partly state money and partly federal aid and wildlife restoration money and the the argument of the public was "because there was federal money involved, it federalized our activities and since our activities were federalized, (they involved the federal government then, its true), the action under National Environmental Policy Act --because the action we were taking was a joint state-federal action and it was highly controversial". Any action that is highly controversial then is subject to the National Environmental Policy Act. You said "no we won't use federal money, we'll 'de-federalize it' so it will be purely state action -- ", it isn't a federal action and you couldn't fall underneath it. However, the plaintiff said that we couldn't "de-federalize it" simply by changing the source of funding and they have some precedent. The most recent one was a highway, a controversial highway in Texas, federal aid to highways. The environmentalists didn't want the highway to go where it was, so they got it stopped. And the state of Texas said "okay, we won't use federal money. We'll use state money", and they went on building the highway; and the courts said "no you can't 'de-federalize' the project; it wouldn't be in existence if there had not been federal money there, and so you have to stop". And that case has been extended on appeal. This is the sort of thing we are faced with in Unit 13 here. We are going to argue, though, that its a state action and we hope that that restraining order will be lifted. However, BLM, in another area in a western state, has stated that any use of poison on federal lands for killing a predator will require environmental impact statement and they prepared an environmental impact statement and poison is now being used for killing coyotes in several of the western states. On the basis of that precedent, the director of the BLM called me the other day and said, "Look, we did prepare environmental impact statements for killing predators on federal lands by state people on the western states and we are afraid, because of it, (this case is now filed in court), that we are liable to lose it on the basis that we already have a precedent of requiring an environmental impact statement. So yes, all operations would have to stop until an environmental impact statement is filed.

Director Bergman said they thought the situation was sufficiently different in Alaska that if the federal attorney had time to prepare arguments, they would have a better chance to resisting an impact injunction or restraining order, and eventually they had an agreement with the plaintiffs that they would not file at that time if I would agree to stopping that control activity in Unit 28. I did agree, but agreed for quite another reason: most of the state land, most of Unit 28, where we would be conducting wolf control, is state land. We could be going ahead with it without any problem of federal intervention. But what I didn't like about it was the fact that here, while the environmentalists and park lobby are trying to get more and more in the park category under B2, they would be given tremendously good argument if I went ahead and had something that was obnoxious to many people,

as controversial on state land and that would not be permitted on federal land, and I did not want to go and kill a bunch of wolves on state land and have these environmental lobbyists say, "Look how the state of Alaska is abusing its resources on its own land". This is what's going to happen if we don't put more of this land on some kind of federal reserve so that was the principle reason why I agreed to a delay. I agreed only to a three week delay because the report will be arguing the Unit 13 case in twenty days and we hopefully will have a reading of Unit 13 and if we win Unit 13, its "go" everywhere as far as I'm concerned.

We are going to launch those wolf control programs. If we lose in "13", I'm still ready to go in Unit 20A. The operation in 20A will be more efficient at that time than it would be now because the days are still short, conditions are not good. I told those fellows to get out there and try to take those wolves as quickly as they could a week or so ago. They tried to push it. They went out there, burned up a lot of helicopter time, under conditions that weren't ideal, and didn't kill any wolves. So I want to hold up now, so when we do it, we are going to be efficient about it; and I don't think the three-week delay up there is going to be harmful.

But as far as the question of whether the state can exercise management jurisdiction over wildlife on federal lands being resolved here, I wouldn't know that it will be. It is not a good issue, this wolf thing is too emotional. There is so much sentiment against that. We have received now about 4,000 pieces of mail. We have received real bad publicity in national TV and the printed media, and I am afraid if we "go" on that issue we might lose it, not on merit, but on emotion. So I don't want to lose it. But we are faced with litigation on this one and I would hope that if it comes up in Washington, we will be successful in getting a change in venue to an Alaskan court, and I think that (we'll) properly come out without losing ground. But it's a serious matter now. The federal agencies are more and more attempting to preempt that kind of service.

The military has advised us not to kill wolves on their lands, so we are keeping off their lands; and although they have no jurisdiction to selectively regulate our activities, if we resist it, they will simply close the area to trespass, period; and they can do that. And so its a kind of tough one.

I would hope I can get the Attorney General and his people to realize just how serious the matter is. Even in the state within the administration, I am not sure that everyone appreciates what is at stake here, and some people may have their attitude tempered by not agreeing that wolf control is not the proper thing.

Malone: Well, I am not in favor of wolf control myself, but as far as management of the game, the state if the state isn't going to manage it, who is? I thought that was one of the reasons the state was created in the first place, was to give some degree of control over what happens up here. Myself, I'm greatly alarmed that you are encountering things like -- "Look how the Alaskans

are abusing their resources on state lands". Frankly, if our policy dictated that we are to eliminate or destroy resources, that ought to be an alternative that is available to the state because it would be a state policy.

Brooks: Yes, but if the federal agencies feel that our wildlife is of national interest and the Bureau of Land Management has a bunch of fish and wildlife biologists, (the forest service has fish and wildlife biologists, the fish and wildlife service has fish and wildlife biologists, even the military has conservation officers), some of these federal agencies would love to put these people to work. I am not at all sure but what they wouldn't publish their regulations in the federal register if they thought they could get away with it.

Haugen: And then we are going to take on anywhere from 80 to 130 million more under the DC land ammendment with the federal government -- seems to me superfluous land -- its absolutely outrageous the land claims bill did not have (?) with the DC ammendment. I don't see how we got in such a pickle. 2

Brooks: That's why the wolf issue right now is most unfortunate because the park lobby is exploiting us, its no doubt, and if we did anything on state lands that was different than the way they had it on federal lands, they would really turn against us.

Haugen: Well, of course your own people right in my own district, on that program, we got ~~many~~ deer. We got no wolves. So we are all involved. no

Brooks: That's exactly what the environmentalists want to see happen. Everywhere just let nature take its course until some day it will strike a balance. Well, the balance is somewhere between extremes. On the one extreme it means no game and no wolves. In 40 or 50 years it may mean we'll have them both back. But fluctuations are so extreme and they won't work the way they did under natural conditions. Now man has intervened. Man is an element in the system now. He is harvesting the prey and he has a right to, has a need to. So the idea these people are promoting is you should let the predator and prey strike their own balance simply is not realistic. We have already intervened in that system and we have to continue.

Haugen: The people up there that live (on the land), depend on it for their sustenance. They are the ones that really are going to get hurt. And then if you have the pressure from these big wheels and organizations that are going to be nothing.

Brooks: If we lose these two, it's only one case that hasn't filed now and if that injunction isn't closed in federal court, its a bad omen, and I don't know where it will stop.

Gruening: I think it is a significant thing, the department knew that this --

Brooks: The question is: were we going to manage in wildlife properly or were we going to sit back and say "no, let's not rock the boat". Maybe the environmentalists in Washington will.

Gruening: Why didn't the department use that philosophy when it came to the argument as to whether it would be state management of fisheries or federal management of fisheries? The state said "Let's not rock the boat and hope the feds will give us some -- " There is an inconsistency here. Shooting those wolves right now is just playing into federal hands.

Brooks: That's right. That's right. But the Board of Game directed that it be done and if I had been on the Board of Game, I couldn't tell you right now how I would have voted. It would have been a tough one. But it is an expression of the people of the state, as expressed by their representatives, and the board members knew -- petitions were around --when they directed the Department of Fish & Game to carry out this program.

Haugen: How about the days when the Fish & Game people had a predator program right here in Southeast on wolves? They were poisoning them and everything else.

Brooks: More than that, the Department of Interior has conducted aerial wolf control in Alaska in 1969, 70, 71, 72 and 75 with the I.S. (BIA).

Haugen: And all Southeast prior to statehood, they were poisoning wolves.

Brooks: Course, we have only had NEPA, National Environmental Policy Act, since '69.

Malone: My concern is who is going to have the responsibility; and who is going to have the authority? I hope it ends up that it is the state that has it because otherwise all our policies will be dictated from Washington, and I don't think that is the best way to run things. I appreciate your briefing us on where things are on it.

Naughton asks a question (undecipherable on tape).

Brooks: They will be sold at public auction.

Naughton: Mr. Chairman, to indicate that the Department of Game -- what I think that their judgement in the thing is on control -- I'd like to tell the Dept. of Game that they are going to get out of me all they are going to get in this session. That's what I think of our wolf control.

Malone: Any further comments?

HOUSE FINANCE COMMITTEE

February 4, 1976

9:15 a.m.

Chairman Malone called the meeting to order. All were present except Representatives Naughton and Guy. Legislative analyst Milt Barker was present.

The subject before the committee was HB 593 and 594, which needed a second review after new information had come in from the Dept. of Health and Social Services. HB 594 was an appropriation to public health for immunizations for the diphtheria scare; HB593 was for inter-agency receipts for \$150,000 and unpaid bills. Regarding 593, the committee soon noted that they still needed some specific information.

HB 593 +
594.

Rep. Duncan brought up supplementals the department yet plans to submit: three were mentioned, the \$50,000 for Health and Social Service immunization, which they had; mental health contract-institutions, which they thought was in, (SB 24 Community Health Services); and the Harbor Memorial Hospital contract. Milt Barker said they were submitted to the Governor but the Governor is still thinking about it.

Chairman Malone referred to a letter or note on interagency requests. A workshop style meeting continued with the following items brought up for question and discussion:

Interagency receipts: which BRU does it fall under?
Does it fall under Community Development? (The \$50,000)

Does it fall under Division of Public Health?
Which BRU was it. Family Health? Communicable Disease?

It was under "Community Health" but normally would be "Communicable Disease Control".

The question of program receipts still has information lacking on which to base a decision.

Rep. Buchholdt made a suggestion they work up a committee substitute, expressing legislative intent because there was a question whether estimates were correct or how much they were going to need and how much the lapses were. If correct, the department could transfer funds, and that transfer might come from programs, not all of which were desirable to be used for funding transfer.

Malone pointed out the surplus, a large one, which they say will be, nor will they be spending all those funds.

The committee, therefore, would have to change its mind or the department would not transfer -- which is the way legislative intent means it to be.

Rep. Buchholdt expressed opinion that the supplemental was one which could be avoided and the committee would lose a good hold on legislative intent if this was not looked into.

Rep. Duncan brought up they needed a breakdown considering the large surplus. He felt that if transferring out of other funds were to occur, he would not want it to affect assistance funds. A \$47,000 surplus was the figure he worked with when he took the whole program and the two deficits which he did not think could be transferred out, and it added up to almost even figures. It was suggested by the chairman they could send them a letter that said it looked like they were in good shape. Duncan reiterated they should leave assistance programs and also Medicaid alone.

What portion of the whole thing was out of general funds, Malone asked and Duncan did not answer this directly, but discussed other funds which he didn't think should be transferred.

Unable at this point to move the bill, a sub-committee was appointed to bring back a recommendation by Friday, and if none was forthcoming the bills would remain in the file. Itta and Duncan were selected to find out more particulars about the funding, particularly if the general fund money that could lapse, but which a portion could be used. It was hard to believe it would bring them down to the wire on the budget, said Malone. One example which Duncan isolated was the funding for alcoholism; it was a \$796,000 attachment to 593 and 594.

During time for committee objections, Rep. Haugen brought up the way the department handles owed monies. He said the hospital in Petersburg told him they had \$10,000 coming, and there was much waiting, as a regular thing. To this Malone added they gave money last year for unpaid bills. They used it to pay other accounts in '75 and the legislature still sees those unpaid bills which someone scrambled up the payment for; now they cannot pay '75 out of '76 money. "It isn't they haven't sufficient authority, but they claim they can't pay '75 out of '76." Gruening asked if he was referring to the \$9,000 unpaid bill.

Chairman Malone said they should put a line in the bill stating that any authorized bills from '75 be taken out of '76 appropriation and let them find the money.

Gruening commented they don't want to take it out of GR medical and Malone thought that \$9,000 out of GR medical

wouldn't amount to much. Rep. Haugen gave a side comment that as far as GR medical was concerned, the cheechawkers come up here and live off the taxpayers' money.

Gruening continued he would rather see them take it out of administration.

Rep. Haugen said, "They say we never appropriate them the right amount of money because they don't know how much money they are going to have," (coming to them from the federal government). And he continued with an illustration.

The chairman said in 1975 fiscal payments were used for administrative purposes and they should put in a line saying they cannot transfer out any money; which would be the only way to make certain those funds will lapse if there is a surplus.

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

Tape: H7611
Begin: 2364
End: 2635

mb

Tape #: H 76-11

RECORDER LOG

Date: 2-4-76

Beg. #: 2636

1:35

End #:

General Subject: Review of Health Program Category - H+SS

Present: Reps Malore, Duncan, Atta, Hug, Huesing, Buchholdt, Lois Jurd, Dep. Comm. for Program Mgt.; Dr. Schrader, Dir. of Div. of Mental Health; Bob Cole, Alcoholism Coun.; Dr. Paul Lawrence Sullivan, Dir. Pub. Assist.

| Log # | Description |
|-------|---|
| 2643 | Malore - outline of committee's desires |
| 2664 | Atta - wants to hear where department is headed in Drug Abuse Area |
| 2679 | Overall goals and objectives - Lois Jurd |
| 2696 | 1) data base & systems for data retrieval |
| 2712 | 2) decentralization |
| 2722 | 4B 596 - Jurd explanation (Local health services) |
| 2740 | 3) de-institutionalization |
| 2749 | 4) Prevention and intervention |
| 2764 | Identifying chronic pulmonary lung disease |
| 2778 | Education of public health aides |
| 2794 | 5) Increased coordination of programs to improve cost savings |
| 2800 | Feasibility of centralizing certification and licensing 6) Maximizing of federal funding, Title 19 and 20. |
| 282 | 7) Increased services to the aging |
| 2838 | Home health agencies |

Tape #: H 76-11

RECORDER LOG

Date: 2-4-76

Beg. #: _____

(2)

End #: _____

General Subject: Health Program Category - H+SS

Present: _____

| Log # | Description |
|-------|--|
| 2849 | <u>fund</u> Improved responsiveness to the public |
| 2853 | Team Concept |
| 2860 | 8) Implementation of 93 641 - Public Health Bill |
| 2872 | Atla - Contracts with Health organization |
| 2890 | Native health |
| 2910 | Contracting local health services |
| 2927 | Advisory boards - is there a better way of getting public input |
| 2971 | Alcoholism and drug abuse and mental health |
| 2980 | Combining services |
| 2988 | De-institutionalization - citizen prepared pamphlet recommending small group homes |
| 3010 | Relaxation of requirements for community homes |
| 3024 | question from Buchholdt on native homes not meeting requirements |
| 3034 | fund - liability problem |
| 3043 | Malone - who will be running facilities |
| 3055 | Dr. Schader - Program emphasizing community involvement |

Tape #: H 76-11

RECORDER LOG

Date: 2-4-76

Beg. #: _____

(3)

End #: _____

General Subject: Health Program Category - HTSS

Present:

| Log # | Description |
|-----------------|---|
| 3075 | Hope Cottage (Dr. Schrader) - explanation |
| 3098 | advantages of small group homes |
| 3119 | statute required for de-institutionalization |
| 3124 | How could we determine funding requirement for de-institutionalization |
| 3143 | Plans for de-institutionalization |
| 3144 | progress - institutions |
| 3175 | Federal funding for development of plans - Dr. Schrader |
| 3189 | Needs assessment |
| 3191 | Categorization of federal funds |
| 3200 | Hanger - where do funds come from for Hope Cottage - federal fund matching |
| 3230 | Where do funds come from for buildings and construction - |
| 3250 | monies available to match federal funds? |
| 3288 | Dr. Schrader - offer to provide in writing information on services needed and provided, funding |

Tape #: H 76-11

RECORDER LOG

Date: 2-4-76

Beg. #: _____

(4)

End #: end of tape

General Subject: _____

Present: _____

| Log # | Description |
|-----------------|--|
| 3302 | Reg. interest in de-institutionalization |
| 3308 | Discrepancy of Hope cottage - expansion monies? |
| 3303 | 91,000,000 - in 76 |

Change to tape H 76-12

Continued

Tape #: H 76-12

RECORDER LOG

Date: 2-4-76

Beg. #: 0000

2:25

(5)

End #: _____

General Subject: Health Program category - HVSS (cont'd)

Present:

| Log # | Description |
|----------------------|---|
| 0094 | Community health center review (Huening) |
| 0125 | Developmental disabilities legislation |
| 0155 | # federal funds for developmental disabilities (Dr. Schrader) |
| 0240 | Title 19 and Title 20 funds |
| 0324 | Proposed plan for use of Title-20 funds |
| 0329 | Huening - request for info on what's been spent this year |
| 0424 | Dr. Schrader - Alaska should look at needs and develop own funding |
| 0444 | Prevention and early intervention |
| 0466 | early nurse training |
| 0486 | Alcoholism - Bob Cole, coordinator |
| 0511 0511 | Dr. Pauls - early detection of metabolic disorders - prevention of early brain damage |
| 0647 | Mandatory by law that every child be screened (for PKU) |
| 0675 | Huening - # of PKU's in metabolic screening |
| 0702 | Odds |

Beg. #: _____

End #: _____

General Subject: Health Program Category - H45C

Present: _____

| Log # | Description |
|-------|---|
| | Dr. Paul - |
| 0715 | Identification of families - metabolic disorders |
| 0732 | Dr. Pauls - Communication deficiencies |
| 0758 | Emphasis on prevention |
| 0764 | Drug abuse - Mary Beth Hilburn, Coord. |
| 0814 | Stu - TM in drug abuse |
| 0850 | Value decision-making skills |
| 0866 | Q for grant in Bureau |
| 0879 | Stu - explanation of TM |
| 0963 | Malone - Interest in GR med |
| 0973 | outcome of leg. intent GR med - hospitals pick up 20% of cost |
| 0959 | Sullivan - Dir Div. of Pub. Assist - leg intent |
| 1007 | Reaction - |
| 1038 | No complaint from hospitals - they're not pleased but no formal complaint |
| 1062 | Year-end reports - GR med. Sullivan begins testin. |
| 1115 | Impact on GR MED - funds - Case load has drop Ment asked for: |
| 113 | Current info. killing under GR-med. congressmen figure |
| 1-10 | Drum. Food stamps application requisites not welfare but supplemental they are ^{drug} validating & determination Drug asks more on this subject |

1296 Guy Mental Health Centers in Bethel + Barrow.
Chairman left briefly

1363 Haugen How much you lapse last year?
Expenditure rate and the current lapse level
of SR med.

1456 A budget revision needed

1495 Communicable disease program
Dysentery No. 1 rate.

Dr. Pauls testifies

↓
Environmental Health

2160 The Food Industry. What was the impact of the
governor's 87. cutback. Vacancy - turnover.

2300 Shellfish beach certification. Haugen's question.
"We are monitoring the beaches, for commercial use.
None monitored in S.E."

2366 Recess

HOUSE FINANCE COMMITTEE
Thursday, February 5, 1976
8:45 a.m.

All members were present except Rep. Cowper and Rep. Gruening. Others present were Bob Gates, Director, Retirement and Benefits, Dept. of Administration; and Rep. Red Swanson.

PRESENT

The meeting was called to order to consider HB 36, HB 198, and SB 222.

HB 36, HB 198,
SB 222

Chairman Malone introduced Rep. Swanson to speak on HB 36.

Rep. Swanson said the bill now deals only with those people who are in Alaska who work for the Road Commission and the Bureau of Public Roads. Many of them are now employed by the Dept. of Highways. They are scattered all over the entire state. He said he had received quite a bit of correspondence from these people. Some of them have been here 35 years. If the state is going to take care of its old timers, these people should be included.

ROAD COMMISSION,
BUREAU OF PUBLIC
ROADS

When asked about the number of people involved, Rep. Swanson said there were 108. Last year's fiscal note shows a figure of \$200,000. For the next six years it would be up to \$260,000. He asked the committee to look favorably on this bill.

108 PEOPLE

Chairman Malone asked for questions. Rep. Haugen asked if those outside the state were excluded. Rep. Swanson said they weren't.

Rep. Swanson said that figures had been obtained through the Dept. of Highways--81 Bureau of Public Roads and 27 Alaska Road Commission. Rep. Swanson said he had petitions signed by most of these people. They were from Auke Bay, Juneau, Palmer, Wasilla, and Anchorage--all over the state.

DEPT. OF
HIGHWAYS
FIGURES

Rep. Haugen said he had received letters from these people too. Some had written two or three times.

Rep. Duncan asked if there was a difference between HB 36 and SB 222. HB 36 seemed more inclusive.

Chairman Malone said that State Affairs had amended HB 36 so that they are basically identical. He asked Bob Gates, Director of Retirement Services, to explain how the bill would work and the basis of the fiscal note.

HB 36

Mr. Gates explained that the revised fiscal note was necessary through the passage of SB 404. Normal retirement age was reduced from 60 to 55. This impacted on the bill. The fiscal note is .31% of pay. That assumes that language would be put into the bill restricting this to those who were currently employed on the effective date of the act and those who are retired. The data available now is only on the active group of people. Some past employees may be prompted to come back to work and claim service. It is assumed that there are some people working for the state but in other agencies and some retired people who would be eligible for payment under this bill.

FISCAL NOTE

Mr. Gates told the committee that President had signed a bill whereby some groups of people getting state retirement would not be eligible for federal monies. At one point last year there was talk of putting words in our bill to the effect that if a person received federal retirement he would not be eligible to receive state monies for the same period of service. The feds are checking to see if a state is paying them benefits and then cutting them off.

STATE VS.
FEDERAL MONEY

Mr. Gates continued saying that any pension paid for military service was an offset now. In HB 198 there is a specific reference that there will be no payment for services that will be paid by the feds. We will only pay for service that isn't recognized by them.

Rep. Duncan asked if this language could be put into HB 36. Mr. Gates said it was a possibility.

Rep. Miller joined the meeting at 9:10.

Chairman Malone asked Rep. Swanson how many people would be covered. Rep. Swanson said there were 108. Mr. Gates said there was a problem with determining number of people covered because there is a group who previously worked who haven't been identified by Highway.

Rep. Buchholdt asked if there was an actuarial figure on this. Mr. Gates responded that the .31% pay is an actuarial figure.

Rep. Miller asked if it wouldn't be safe to assume that the number was very small. He thought there would be 25-30 people at the most outside of the people in Highways now or retirees.

Mr. Gates commented that if the law did not spell it out he was afraid that people with 10 years of service might be prompted to come back for a while to pick up the benefits. Rep. Haugen wanted to be sure he was talking about those employees who had gone from the federal government to the state. Those who remained with the federal government wouldn't qualify for this. Mr. Gates said that a federal employee could quit, come back for three years, and claim all of their service prior to the time it was BPR.

FEDERAL GOV'T

Rep. Haugen asked how many years a person had to work to get vested. Mr. Gates said they would only have to work three years.

VESTING

Chairman Malone suggested that the committee discuss HB 198 sponsored by Miller and Duncan to credit for military service for retirement benefits for state employees. There is a fiscal note on that one that would probably be changed as a result of changes in retirement in the last session.

HB 198

Chairman Malone asked Rep. Miller to speak on the bill, since he was the prime sponsor.

Rep. Miller said that when he and Mr. Duncan had put together the committee substitute last year they had incorporated everything that would meet their requirements; however, some old time employees getting ready to retire had contacted him. The way the committee substitute is put together, they would have to buy in at the current salary. It would not be worthwhile to buy in because it would cost them as much as they would get. Rep. Miller was not suggesting that the state go back to their lowest salary but perhaps the state salary should be averaged. He asked Mr. Gates to comment on this.

BUYING IN

Mr. Gates said that originally, in discussing the thrust of this bill with the sponsors, they arrived at the bill in its present form, which requires that service be bought in at the current level of earnings or the level of earnings at the time a person first vests. There is an argument that it is not fair for the person retiring to pay the highest level. But, that person doesn't lose the funds except momentarily. The person who vests early pays for more years. It would be extremely difficult to arrive at an average salary figure. Even to find the three highest paid years is difficult. We are dealing with multiple employees, some of whom have no payroll records beyond five years. Mr. Gates said that after giving it much thought he had decided that the way the bill was written was the best administratively and the most equitable way of going.

There was a discussion of retirement age and employment after retirement.

Mr. Gates said it would be necessary to update all of the years listed in the bill.

Rep. Duncan said he could understand the problems of averaging salaries, but he wondered if the three highest years could be used. Mr. Gates replied that there was no way of knowing that until a person quits.

Rep. Haugen asked if retirement was a negotiable part of Public Employees Relations Act. Mr. Gates said it would be difficult to negotiate this benefit and still have a uniform retirement system. Typically it has been left to legislature to make a decision. Rep. Miller interrupted saying it would be bad to get in a situation where one group had one retirement and another had another retirement.

QUESTION--
NEGOTIABLE
RETIREMENT

Mr. Gates said there would be a new fiscal note on this bill. The percentage will be close to the same but there will be a much larger payroll figure.

Chairman Malone appointed himself and Rep. Duncan as a subcommittee to bring a recommendation to the committee in about a week.

The meeting was adjourned at 10 a.m.

Tape H 76-12
Deg. 2369
End 3321

Tape #: H76-13

RECORDER LOG

Date: Feb 5, 1971

Beg. #: 0000

1:15 pm

End #: _____

General Subject: Budget: Natural Resources Committee

Guy, Hogan, Beckholdt, Itta, Chron. Malone | late: Duncan

Present: Russ Cahill Mr Parks. Div. Special Audit Bob Hogan
Mike Smith " Div. Land Plms Off. Mike Orelve
Kent Dawson

Harry Bass Bill Zeckler Div. Comm.

Log # Guy Martin Comm. Description Quest Rose Palmquist

0055 Commissioner Guy Martin begins. Nat'l Res. is emphasized this FY.
Organization before & now. Control is centralized - why

202 We are facing the most crucial 2 to 4 yr. period in history.

318 Planning & Research ^{Section} Drives (8 persons) - asking about Hwy Road making ^{a balance} systems
Commissioner's office is stronger. Dislocation 85% is "ANC."

Land Management improvement is announced 250% greater land to manage.
3/4 mil acres per w. for last 5 weeks have been given to manage.

Land Record Data Processing System \$125,000 // Fire suppression is new

462 Legal Assistance is new Geologist Survey: basic info resource. ^{make it a} useful tool

539 LAND-USE LITANY - Be "solved" by basic commitment to ¹ better
internal organization, & ² plans for land management.

600 Indicates how oil & gas decisions are made in the Dept. They will begin a
management core-administrative decision group. "Integrated management"

740 Displays ORGANIZAT. CHART; explains NEW POSITIONS. \$250,000

838 BENEFITS: REG & SAFETY OF OIL & GAS + OTHER. SUMMARY

850 MALONE Quest. concerning oil & gas decision process

Geological Survey - designed a system that leaves 1/3 of
personnel time can recover info. 1/3 prep & analyzing

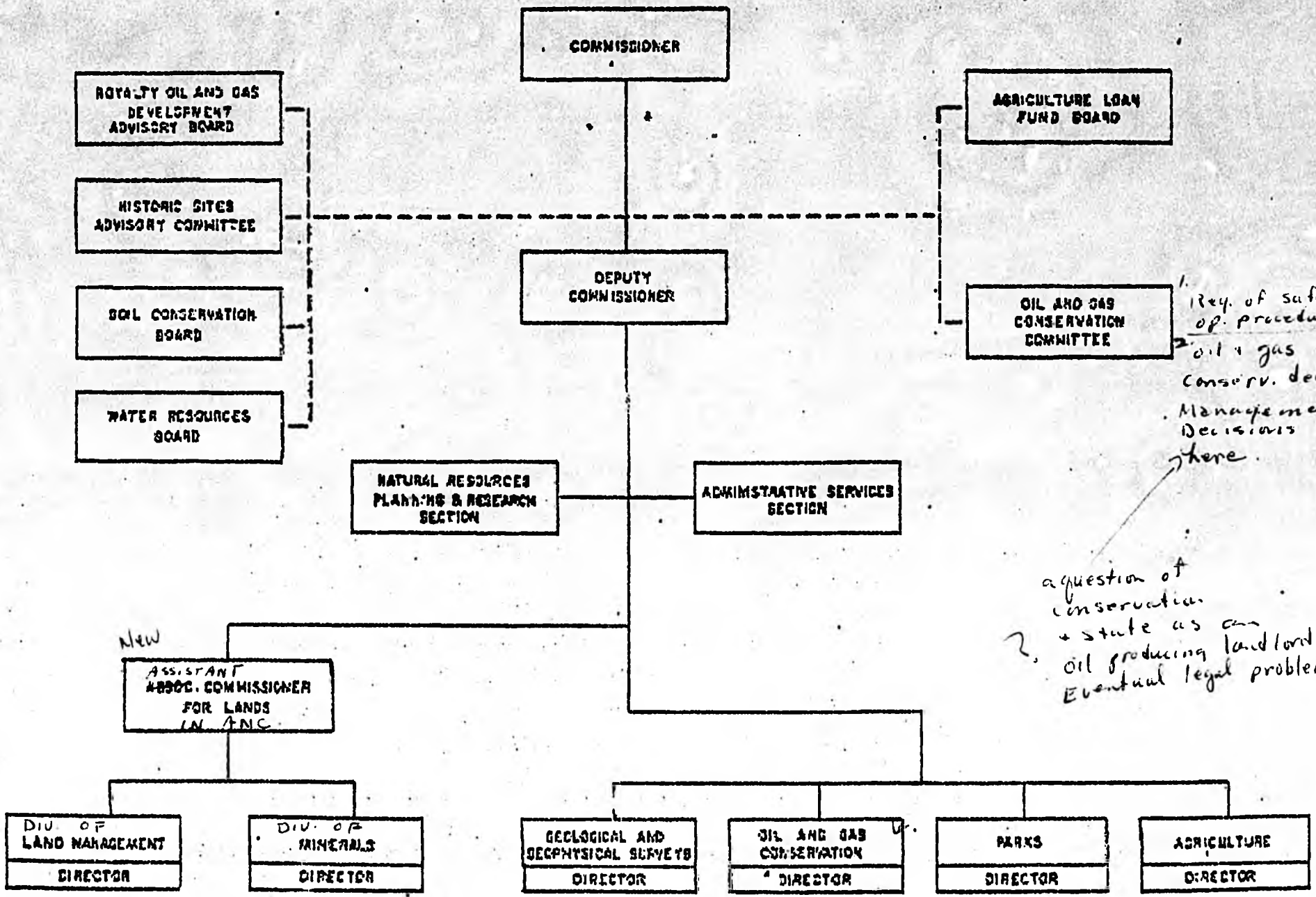
980 field work 1/3 on the field work projects h

1040 Malone asks for specific organizational - locus explanation
"Having to have info available for mgmt. decision -
In Geol. Survey Div - how will that be decided, res. of the
Div. be focused.

- 1060 Martin explains his document of goals/work priorities. It may require data acquisition, or field work, or literature inventory. Criteria for selection will be part of decision-revised. Priorities are selected then?
- 1100 Malone re. planning section ops. director began in Dec. 1. How'd Rd. future 2. Criteria for state land sel. policy 3. dev. land classif. system for state.
- 1140 Naughton. Land selections: Process Relationship: btw selections & resources. Plan to design a defensible criteria for long or shortterm land selection.
- 1225 Mike Smith and Land Map (Selection) History. Extreme rapid movement of lands into our own management responsibility.
- 1325 Naughton. The Resource Development potential in the management areas. Mineral potential, D & D values. (per impact areas) pointed out area by area.
- 1425 Southeast mineral potential
- 1470 Zeckler - Hard rock land has much more guesswork - so the inform. req'd. from people needs to be paid for, it costs ^{so much}. 37 out of 140 mil are left to select they watchdog all land orders & legal things to be able to make spot selections.
- 1530 Wants policy + informat. - spreading process for lands selection to let people in on it.
- Martin to Malone: Yes. we are designing a public process.
Smith: Re. withdrawn lands. we are between times when we could not select and when we can. Question of time? Within a year, + ultimately (Dep on D-2) 1982 deadline.
- 1630 Malone Quest. pursues time process ^{+ find scheduling} Ans. we have a diversified portfolio. Malone pursues the Q. of policy re legislative participation. when can the S. get into it?
- 1700 Martin suggests setting hearings for setting selection policy.

PROPOSED ORGANIZATION
DEPARTMENT OF NATURAL RESOURCES

"another budget cycle will need to
come before we will be
comfortable with this."
JAN 27, 1978



1. Reg. of safety
of procedure
oil & gas
conserv. decisions
Management
Decisions belong
here.

2. a question of
conservation
& state as an
oil producing land lord.
Eventual legal problem.