

HOUSE/SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2649

Senator Palmer asked what Senator Ray proposed. Senator Ray said he had had his say and he was not going to say it again. Senator Butrovich said the only thing he is interested in is the Pipeline Committee appropriation and he could not see that much difference in figures so unless Senator Ray wanted to change something there was nothing to do. Senator Butrovich asked Senator Ray if he wanted a caucus and Senator Ray said for the committee to go ahead and settle it but he objected. The reason he said he was objecting was because the committee was not being responsible and they were not facing up to what they had to face up to. Mr. Fink said if Senator Ray was talking about the 90-day funding, he could not see funding for more than that since the law presently reads that it will only allow for 90 days of per diem. Senator Ray moved the figures. Mr. Fink renewed his original motion for Legislative Council and Legislative Budget and Audit Committee and the motion carried. Senator Butrovich said he hated to fund the Pipeline Committee but if they are going to have the committee they would have to fund it. He could not see what they could do that was not being done by the Legislature's consultant in New York. Mr. Fink moved for \$25,000 for the Pipeline Impact Committee. Senator Ray objected. Mr. Warwick said they were going to have to fund it if the committee is going to operate. If they only put \$25,000 in it, they will be meeting about twice a month so that would leave no money for a staff and they couldn't accomplish anything. Mr. Hohman asked Senator Ray what he

proposed. Senator Ray said \$50,000. Senator Butrovich said he was opposed to anything. Senator Palmer said the Senate Finance Committee was for it at any cost so he would have to go for it. The figure of \$50,000 was again moved. Mr. Warwick said if they were going to fund it, it would have to be funded at \$100,000. Mr. Fink said he was for \$50,000 but not \$100,000. Mr. Hohman moved \$102,000. Senator Palmer and Senator Ray objected. Mr. Warwick said the committee was planning on hiring someone with expertise in the regulatory field and for \$50,000 they would have to fund a staff man and secretary, office space and travel. Mr. Fink said if they cut it to \$50,000 then they could realign the budget like any other agency. Mr. Warwick continued to argue in favor of the \$100,000 figure. Senator Palmer said if the pipeline permit is granted in September he wondered if there would be anything for the committee to do. Mr. Warwick said they would then be an advisory committee to the legislature on regulations for the pipeline. Argument continued and Senator Ray finally suggested they go on to another subject since they could not agree. Mr. Warwick said he would discuss this with Senator Croft, Chairman of the Pipeline Committee. Senator Ray said he had already discussed this with Senator Croft and told him he would support \$50,000.

Adjournment: The meeting adjourned at 2:30 p.m.

HOUSE AND SENATE FREE CONFERENCE COMMITTEE

May 7, 1971

9:15 a. m.

Present: All members and Mr. Freer.

Mr. Hohman called the meeting to order.

LEGISLATURE

Mr. Fink asked if any new information was available on the Legislative Impact Committee and Mr. Warwick replied the information is that the committee can't live with \$50,000. Mr. Hohman moved \$102,000 for the Impact Committee, but Senator Palmer amended the **motion to \$75,000**. The motion carried, and the total figure for the Legislature budget was approved at \$2,442,200.

DEPARTMENT OF NATURAL RESOURCES

Administration - The committee adopted the Senate figure of \$260,100 for Administration.

Land Management - The committee discussed the additional \$100,000 in Cadastral Engineering for North Tee Harbor subdivision (see footnote 2 on page 20) and Senator Ray explained this was to put in an access road so the state can sell the property; otherwise, developers will buy it and the state will lose at least \$200,000. With this additional funding, the land can be put up for bid. After a brief discussion, Senator Ray called Mr. Wallington of Natural Resources, and both Mr. Hohman and Senator Butrovich spoke to him confirming the explanation. Senator Palmer asked why this would be in Cadastral Engineering and Senator Ray explained that they are the ones that will handle the project.

Mr. Hohman moved a figure of \$2,252,800, which would include \$20,000 in contractual services under Land Management for water table research in

the Kenny Lake Soil Conservation District and \$100,000 in Cadastral Engineering for North Tee Harbor subdivision access road. No objection.

Geological Survey - It was noted that the Senate cut out the aeromag program.

Senator Butrovich said after talking to Commissioner Herbert he believed it was a good program, but the subcommittee handling this budget said it had no value. Senator Butrovich said as far as he could see it was inventory work and should have good results and Mr. Fink and Senator Palmer agreed. Senator Ray moved \$775,000 as a compromise figure and there was no objection.

Oil and Gas - Mr. Fink thought that even the House figure was too low, and pointed out that the petroleum reservoir engineer was a position that should not have been cut. Mr. Fink noted the position was deleted because it had been vacant for nine months; however, the reason it had remained vacant was because the division could not hire the man they wanted due to Personnel rules. He said the total cost for the position is \$24,700.

Senator Ray moved \$420,000 and Mr. Fink amended this to \$425,000. The committee compromised on \$423,000, which would include funding for a petroleum reservoir engineer. This should be included in legislative intent.

Agriculture - The Senate figure of \$106,500 was accepted for Office of Director, as was \$51,600 (Senate) for Plant Industry. Senator Palmer moved the House figure for Animal Industry of \$261,800 and there was no objection. The Governor's figure of \$76,300 was accepted for Loan Fund Administration, and the committee compromised on a figure of \$200,000 for Loan Fund Capital. Senator Butrovich said the Small Grain Incentive had to be the Senate figure of \$80,000 and Senator Ray concurred. The committee did not object. Senator Palmer asked for legislative intent that the Department of Revenue should consider buying loans under

the Loan Program for Natural Resources if they were considered good loans. Mr. Fink said they have already agreed to do it.

Parks - Mr. Fink moved the House figure on Parks, but Senator Ray objected. Senator Butrovich amended the motion to use the Senate figures for the Office of Director and Planning (\$171,500 and \$94,800 respectively), and there was no objection. He then moved the House figure of \$425,800 for Operations and Maintenance and the Governor's figure of \$86,500 for Construction for a total of \$778,600. No objection. The committee then agreed on \$250,000 for the Geophysical Program and \$250,000 for Pipeline Construction Monitoring, for a total Natural Resources budget of \$5,765,700.

DEPARTMENT OF EDUCATION
Scholarship Loans

Senator Butrovich moved \$1.4 million for Scholarship Loans, but Mr. Fink objected and said it was too low. Mr. Warwick pointed out that with HB 415 passing the Senate, it is now just a loan program. Senator Butrovich said HB 52 will pass the Senate this morning, much to his regret, and he thought it was ridiculous to put \$2.5 million in when they don't know where they are going. Senator Ray said he would only go to \$1.5, with HB 52 actually bringing it up to \$2.4 million. Mr. Fink moved \$808,800 for Educational Broadcasting, but Senators Butrovich and Ray objected. Senator Ray suggested making a compromise of \$1.5 million on the Scholarship Loans and taking the Governor's figure on debt service. Mr. Fink said it would have to be raised \$200,000 to include Senator Palmer's motion for Kenai. Senator Palmer said that would be done separately.

Recess: The meeting recessed due to calls of both the House and Senate at 10:15a.m.

AFTER RECESS
1:40 p.m.

Mr. Hohman called the meeting to order.

DEPARTMENT OF HEALTH & WELFARE
Corrections

Senator Ray noted the only difference in Alcantra is overtime. Mr. Warwick said they can't run both Alcantran and McLaughlin on Senate figures because they don't have enough for operating expense and it would mean closing Alcantra. Senator Ray said the Governor would not allow the closing of Alcantra. Mr. Fink was of the opinion that the Senate had cut the budget too deeply and they should offer something different. In discussing various categories, Senator Ray said the Senate did not look at the revised figures, only the original ones that came in the book. Senator Ray said most of their cut was in personal services for VTO, but they did make some cuts in travel.

Senator Butrovich moved to adopt the Senate figure of \$1,232,500 in Administration and there was no objection. He then moved the Senate figure of \$4,025,500 for Care of Prisoners and the House figure of \$2,955,700 for Care of Juveniles. No objection. Legislative intent should include the note that there will be no decreases from the Governor's allowance in Contractual Services, Commodities or Equipment in the Corrections budget.

Dept. of Environmental Affairs

Mr. Freer, in answer to Mr. Fink, said it should be put in and portions deducted from the Health & Welfare budget. Mr. Fink said \$245,000 should be put in for Environmental Quality Control Commission; however,

Senators Palmer and Butrovich said it wasn't needed with the bill.

Mr. Fink noted the Governor planned to transfer it, and had shown this intent in a chart the Governor's office had given to Mr. Hohman.

Senator Butrovich disagreed with this statement. Mr. Fink said the Air Pollution grants would have to be transferred from the Health & Welfare line item. In answer to a question from Senator Butrovich, Mr. Freer said that not all of the Environmental Health section would be taken out of Health & Welfare. Certain functions will be maintained in Health & Welfare, to which Senator Butrovich expressed grave displeasure. Mr. Freer was directed to put the figures together and return to the Free Conference Committee with a total for the Department of Environmental Affairs.

DEPARTMENT OF COMMERCE

Senator Ray said he wished to return to the Department of Commerce because \$60,000 was added to Occupational Licensing to bring General Electric to Alaska to do testing on the pipeline. Mr. Fink asked what was to be tested. Senator Palmer explained they would do an on-site test to make sure ^{this kind of welding on} the pipeline is feasible, and further explanation by Senator Ray said they would test the automatic welding process. Senator Palmer noted the state has to write the standards so no other system can meet those standards. With this method, they can make cheaper welds and train unskilled workers to do the work in about a week. Mr. Hohman requested continuing discussion on the Department of Education.

DEPARTMENT OF EDUCATION

Mr. Hohman moved and asked unanimous consent that the committee adopt the following figures:

Scholarship loans	\$1,500,000
Educational Broadcasting	808,800
Debt Service	2,800,000

Senator Ray objected to the figure for Educational Broadcasting and suggested the Senate Finance Committee leave the conference to work out their problems. After a brief discussion, the committee adopted \$1,500,000 for Scholarship Loans.

Debt Service

Senator Ray moved the Governor's figure of \$2,800,000 for Debt Service. Senator Palmer reminded him of the earlier commitment to line item \$200,000 for Kenai as proposed in Senate Bill 15. Senator Ray said this couldn't be done unless the bill was passed, and then it could be taken out of the \$2.8. Senator Palmer objected and said this had been agreed to earlier. It was then decided to accept \$3,000,000 for Debt Service and include legislative intent to designate \$200,000 for a Kenai school. No objection.

OFFICE OF GOVERNOR

Mr. Warwick said they needed \$500,000 in the Governor's office for public relations on the pipeline as earlier requested by the Governor. Mr. Fink said it shouldn't be any more than the legislature. Mr. Fink moved and asked unanimous consent that \$75,000 be adopted for this function; \$808,800 for Educational Broadcasting and \$400,000 for the new Department of Environmental Affairs. Senator Butrovich suggested adjourning and the Senate Finance Committee would work on their capital improvements budget.

Recess: The meeting recessed at 2:30 p.m.

FREE CONFERENCE COMMITTEE

5:00 p.m.

Mr. Hohman called the meeting to order.

DEPARTMENT OF EDUCATION

Educational Broadcasting Commission. Mr. Hohman moved and asked unanimous consent that the committee adopt \$808,800 for Educational Broadcasting. Sen. Ray objected and Mr. Hohman withdrew his motion. He then moved the adoption of \$181,800 for Educational Broadcasting and Sen. Ray again objected. Mr. Hohman said in that case he would yield for a motion from Senator Ray. Sen. Ray said he did not have a motion. Mr. Hohman then moved and asked unanimous consent to adopt \$131,800 for Educational Broadcasting, and Sen. Ray again objected. At this time Mr. Hohman moved his original motion of \$808,800 and Senator Ray said he thought they should settle some of the things on capital projects. Mr. Hohman reminded him of the attempt by the House members to go into capital projects at which time Senator Ray had objected because he wanted to close out the operating budget. Mr. Hohman said that he was now attempting to close out the operating budget and this figure is about all that is left. Senator Ray voiced the opinion that Mr. Hohman's motions were not sincere and Mr. Hohman assured him all three were serious motions. Mr. Hohman said he was trying to close out the business of the Free Conference Committee so everyone could go home and what they are now "stuck" on is impeding that goal. Senator Ray disagreed. Recess was called for at 5:35 p.m.

AFTER RECESS

5:45 p.m.

Mr. Hohman called the meeting to order and said the chair would accept

a motion from the Senate side. No motions were forthcoming so Mr. Hohman moved and asked unanimous consent for the adoption of \$808,800 for Educational Broadcasting. Senator Ray objected. Mr. Fink said he would like to hear what the Senate members have in mind, hear some discussion, and then set a tentative figure on this. Senator Ray said as far as he was concerned all the figures were tentative until they finally sign the document. Senator Ray said as long as this (Educational Broadcasting) is a hangup they will have hangups on the capital budget.

Mr. Hohman suggested a tentative acceptance for a figure on this and so Senator Ray moved and asked unanimous consent for the adoption of \$131,800 for Educational Broadcasting. Motion failed 1-5.

Senator Ray then moved \$181,800 and motion carried.

DEPARTMENT OF COMMERCE

Senator Ray brought up the welding request for \$60,000. Senator Palmer said the rationale is that by using this system it will be faster and cheaper and they can train unskilled individuals in one to six weeks to run these machines. No one has ever done it under cold Arctic weather and it will cost about \$60,000 and if it works, it will save the state several million dollars. They will have tests conducted here in Alaska and do it on the pipeline itself. If it proves feasible, according to Senator Palmer, they will use this system and train Alaskans to do it. This is the total cost of the test.

DEPARTMENT OF LAW

Senator Ray said there are costs related to cases about which he did not know what they were or what they would cost but thought

they should have an additional \$10,000 appropriation for this. Mr. Fink said he thought they should have some backup material. Senator Ray said that all he knew was they had some cases that were on contractual basis and needed additional funds. Mr. Warwick said they can handle that within the money appropriated for contractual services. Ray said they needed it now for 1970-71 fiscal year. Mr. Warwick wondered why Senator Ray was suggesting that it be in the 1971-72 budget then if what they needed was a supplemental. Mr. Fink thought the least the department could do is supply the committee with a memo explaining the need.

DEPARTMENT OF EDUCATION

Libraries Mr. Warwick requested that the footnote (4) as shown on page 9 of the report concerning indexing, microfilming, etc., be used as legislative intent. No objection.

Debt Service Mr. Hohman moved and asked unanimous consent that the committee adopt the Governor's request of \$21,310,000 for Debt Service. No objection.

Pupil Transportation Mr. Hohman said they had a problem with a deficiency in Pupil Transportation, and the House Finance had held this supplemental (HB 65) in committee because the department said they could make it up in the surplus in the Public School Foundation but they need the authority to transfer the funds. What the committee should do, Mr. Hohman felt, was spell it out in legislative intent. Mr. Hogan said the districts will get the money in any event. The surplus account in PSF Revenue Sharing is about \$800,000. Senator Ray said they won't get it out of him. Mr. Hogan said that what they have is surplus in the Public School Foundation. and because there is a surplus, it will be prorated out of to the districts, but if

Education is given the authorization they can transfer that surplus to make up for a deficit in the Transportation account. Mr. Fink said if they don't use it for transportation they will get it anyhow. and Mr. Hohman said HB 365 will keep this from happening again/ the response from Senator Ray was that he was still voting "no." Mr. Fink explained how it will save the state \$1.5 million. Mr. Freer pointed out that the Governor has authority to do this under the Executive Order 20 so he can make the transfer. Senator Ray reiterated he would vote "no" no matter what they say; he said he understood what they were trying to do and again emphasized he was voting "no." Sen. Butrovich asked Mr. Freer if he could handle it and Freer said the Governor can do this but he rather imagined he would like to get "out from the heat." Sen. Butrovich said in that case he would vote against it too.

Meeting recessed for Senate members to caucus at 6:00 p.m.

AFTER RECESS

6:15 p.m.

DEPARTMENT OF ENV. AFFAIRS

The committee took the Environmental Health figures and added the \$500,000 that the Governor requested for funds for this new department, and Mr. Freer said that with the new funds this could be used as the base from which to determine how much would stay and how much would go into the new department.

Mr. Freer cited the following figures as a possible budget for the new department:

\$ 679,200 -- General Program (\$500,000 new funds
and \$179,200 taken from H&W - Div.
of Env. Health)

\$2,000,000 -- Water & Sewer Grants (taken from H&W -
Div. of Env. Health)

144,900 -- Water Pollution control (taken from H&W -
Div. of Env. Health)

50,000 -- Air Pollution grants (taken from H&W -
Div. of Env. Health)

50,000
\$2,874,000 Total Department of Environmental Affairs

Mr. Fink pointed out that the Governor will be short \$400,000 in this new department because of the program cuts taken in Division of Environmental Health.

Mr. Fink then moved and asked unanimous consent for the adoption for the above figures. Motion carried.

OFFICE OF GOVERNOR

Lt.
Governor

Pipeline Information Committee. Discussion ensued briefly on the Pipeline Information Committee appropriation request by the Governor, but it was noted that the bill had not passed. Mr. Hohman moved the Governor's Contingency Fund be increased from \$150,000 (as originally moved) to \$250,000, with the additional \$100,000 earmarked for the Pipeline Information Committee. No objection. Ray said as long as they had the Governor's budget open again, he was concerned that Contractual Services was where an increase was needed. Mr. Fink said they had already accepted the figure that the Governor had requested and he felt that was a good figure. Senator Ray moved for another \$20,000. Objection was heard and Senator Ray said that even though the Governor didn't ask for it, the Lt. Governor needs it.

Hohman moved and asked unanimous consent for the figure to be amended to \$430,000. Motion carried.

State Employees Senator Ray moved that the state employees funding

be set at 8 percent with longevity pay. Fink objected. Senator Ray moved \$8 million which would take care of it at 8 percent. Fink amended that to include steps "g" and "h". Mr. Fink amended the motion to 4 percent and step "g". In answer to a question, Senator Ray said he thought \$300,000 would fund longevity. Mr. Fink said he was opposed to any more steps. Motion failed on the original motion of 8 percent. Mr. Fink renewed his motion on 4 percent and the motion carried at 4 percent and a \$3.6 million appropriation.

Employment Security - State employees Mr. Hohman moved \$350,000 for appropriation to fund HB 159, which would cover state employees with Employment Security. Motion failed.

Senator Palmer moved \$75,000 to fund HB 304, which would cover certain state employees (institutions, universities, etc.) Motion carried.

OFFICE OF GOVERNOR

Capital Improvements Senator Ray said he objected to the original figure accepted for this category, and moved to take \$20,000 from the Ketchikan request and put it into Port Chilkoot. Mr. Fink objected and asked the Senate members to please review all of their capital improvement plan for the benefit of the House members. He reminded them in the Senate version of the budget, they had only given final figures on capital improvements and no breakdown. Members commented on various capital improvements that they would like to see included. Mr. Hohman moved that \$9,000 be added in Department of Administration for the Erskine House in Kodiak for purposes of reroofing. No action was taken on the motion. Mr. Warwick stated he wanted \$50,000 added for Palmer State

Fair and \$50,000 for Fairbanks. Senator Palmer said that he wanted to add \$50,000 for Ninilchik State Fair building (Dept. of Natural Resources).

Senator Ray said they wanted \$2,758,000 for Waters and Harbors but he had no breakdown to present to the committee, except the one of priority lists prepared by the Division of Waters and Harbors.

Senator Ray read the list of capital projects as designated by the Senate Finance Committee. Mr. Fink asked for a copy of the 5-year program for Waters and Harbors.

Meeting adjourned at 7:00 p.m.

HOUSE AND SENATE FREE CONFERENCE

May 8, 1971

11:00 a.m.

Present: All members and Mr. Freer.

Mr. Hohman called the meeting to order.

Capital Improvements The Senate requested \$180,000 for Fish and Game for Fish & Game a Fisheries Rehabilitation Program. No objection, so ordered.

SHARED TAXES & REVENUES Mr. Hohman moved and asked unanimous consent that the committee accept the Governor's figure of \$5,831,500 for shared taxes and revenues. No objection.

DEPT. OF ADMINISTRATION

Municipal Services

& Shared Revenue The committee was reminded that SENATE BILL NO. 42 (authorizing state loans/grants for hospitals/related health facilities) had to be funded under this category and Senator Ray thought it should be \$600,000. The committee had originally adopted \$6.5 million for this so the figure of \$7,100,000 was moved and adopted.

CAPITAL IMPROVEMENTS

Office of the Governor

Mr. Hohman moved and asked unanimous consent that the committee adopt the figure of \$146,000 for Ketchikan (totem pole restoration). Senator Ray objected and then withdrew his objection. Mr. Hohman explained that Ketchikan needed the whole amount for matching purposes with federal funds. The committee then adopted all figures as originally presented in the House budget (Ketchikan, Saxman Park, Hydaburg, Klawock) and added \$20,000 for Port Chilkoot, for a total of \$211,000.

Dept. of Administration

Mr. Hohman moved and asked unanimous consent for funds as originally requested in the House budget (St. Michael's Cathedral and North Star Borough urban renewal project) and added \$9,000 for Erskine House roof repair in Kodiak. Senator Ray said he objected to the North Star Borough appropriation because he said there are other urban renewal areas and this will set a precedent. The motion carried 5 to 1 with Senator Ray voting "no."

Mr. Freer requested language be put in legislative intent so the department would know how to handle these funds. The committee agreed to this suggestion (see FCC report, supplement No. 5).

Dept. of Education

Mr. Hohman moved and asked unanimous consent for adoption of \$850,000 for Nenana High School Multipurpose facility. Senator Ray objected and moved the following figures:

Haines Academic School Facilities	750,000
Nenana High School Multipurpose Facility	850,000
Galena, two relocatable classrooms	150,000
Healy Multipurpose Facility	400,000
Nome Elementary School Addition	<u>1,553,000</u>
Total - Dept. of Education	\$3,703,000

Senator Butrovich said he did not understand how these could be funded at 100 percent when they are first class cities, they should be at 50 percent and Senator Palmer agreed, and

amended the motion to cut the figures in half. He did not see how they could justify anything else, since all other schools are at 50 percent. Senator Ray said they did it last year. Mr. Fink said the only rationale is that some areas have the economic base and other areas do not. Senator Palmer withdrew his amendment and motion carried for the figures on page 96.

Health and Welfare

Senator Ray moved and asked unanimous consent for \$190,000 as set out in House budget (Harborview and Alaska Treatment Center for ACCA). No objection, so ordered.

Natural Resources

Mr. Hohman moved and asked unanimous consent for adoption of following state fair buildings:

Haines	\$50,000
Ninilchik	50,000
Palmer	50,000
Fairbanks	50,000
	<u>\$200,000</u>

No objection, so ordered.

Economic Development

Mr. Hohman moved and asked unanimous consent for \$200,000 for municipal, civic convention and community recreation center planning. Mr. Fink said it was a 50 percent program according to the bill (House Bill 119) and for only one facility and the city would get 50 percent of the planning money. He said this appropriation was for planning. Senator Palmer wondered if any standards could be set and Mr. Fink said

the approach was to give \$30 per head per town. Mr. Freer asked if this was a grant and Mr. Fink said yes. Mr. Freer said in that case it should go into the Department of Economic Development since it would just be a case of passing on the money (the House had originally put this in Dept. of Public Works). The \$200,000 figure was accepted without objection.

Dept. of Public Works
Airports

The committee adopted \$22,917,400 for International, Trunk and Secondary Airport projects as proposed by the department as the correct figure.

Mr. Freer said this is a "catch up" on federal funds from last year's program.

State Buildings

Mr. Hohman moved and asked unanimous consent for \$600,000 for site improvements and land acquisition. No objection, so ordered. Mr. Hohman then moved and asked unanimous consent for \$230,000 for renovation of the office of the Attorney General. Senator Palmer objected on the grounds that it will all have to be redone in two years when the legislature takes over all the fourth floor. The motion for \$230,000 failed.

Waters & Harbors

Mr. Fink told the committee that Mr. Statter from Waters & Harbors had appeared earlier in the day to testify before the House Finance Committee and that Mr. Statter didn't feel they would get \$2.8 million in, even if the watercraft fuel tax is increased.

Senator Ray said he felt it would get to at least \$2.4 million, but Mr. Fink countered this by saying that Mr. Statter and Mr. Stevenson of Department of Revenue disagreed on the estimate of this figure. Mr. Fink said that in the original \$2.8 million plan for waters and harbors, that Mr. Statter had told the House committee it would take some general fund money. Senator Ray said that Mr. Statter had not told the Senate committee about using general funds. Mr. Hohman suggested listing these figures with the dollar amounts that are in the House bill. Mr. Freer suggested listing projects and putting the words, "not limited to". Senator Ray thought they should list them without any money figures. Senator Palmer wondered if they couldn't list those in the House bill first as priorities, then the balance could be done as the money was available and leave the priorities up to the department. Mr. Hohman stated that any diversion of funds from the King Cove project would jeopardize completion of it. The committee discussed adding in Anton Larson Bay, and Senator Ray suggested Anton Larson Bay and Haines listed without amounts of money and let the department decide the priority. He thought that way a lot of the problems would be solved. Mr. Fink moved that the committee adopt the House Waters and Harbors list that they just discussed, with no breakdown on money and show the total at \$2,893,000 and to accept the original motion on Department of Education for Educational Broadcasting for \$808,800. Senator Ray said he would go along

with that. Mr. Hohman said he would like to amend the motion to include \$50,000 for the Bethel water system and Senator Ray objected. Mr. Hohman withdrew his amendment and the motion was adopted.

Dept. of Highways

Mr. Hohman moved and asked unanimous consent for \$91,500,000 for Federal highways and ferry aid program. No objection so ordered.

Highways Working Capital

Mr. Hohman moved and asked unanimous consent that the committee adopt \$8,093,000 for Equipment Working Capital Fund. No objection, so ordered. Mr. Fink moved and asked unanimous consent that Sec. 11 be deleted from the House version (vacant position reduction factor). No objection so ordered.

Mr. Fink moved and asked unanimous consent that the committee use Sections 12, 13, 14, 15 and 16 as proposed in CSHB 58.

Senator Ray asked Mr. Freer about Sec. 14 (If federal program receipts or other program receipts fall short of the estimates appropriated by this Act, the governor shall reduce the affected appropriation by the amount of the short fall in receipts).

Mr. Freer said it might stop a program from getting started that the state might otherwise want. No objection to

Mr. Fink's motion so it was adopted.

Dept. of Commerce

The subject of the \$60,000 for the welding tests was brought up again and Mr. Fink moved the adoption of \$60,000 to be put in Department of Commerce, Occupational Licensing, for the purpose of testing of the welding for the pipeline.

Leg. Intent

No objection so ordered. It was agreed that legislative intent should show that this was for a field test of the automatic pipeline procedure.

Alaska Court System

Mr. Fink brought up the request by the Court System for \$295,000 for law libraries, and moved that it be adopted.

The motion failed 3 to 3.

Department of Administration

Mr. Hohman moved and asked unanimous consent that the committee add \$50,000 in Department of Environmental Affairs for a water grant for Bethel. Senator Ray pointed out that for Bethel to qualify for this money they would have to have an application in and perform certain functions before Bethel could be eligible and he said most towns find this to be a long tedious procedure. Mr. Hohman explained that the man who owns the water facilities in Bethel is going out of business in May and it is most urgent that the town solve this problem before then and that they had just recently been notified. It means the city must either buy his system or establish one of its own. In any event, the city is in desperate need of solving the situation immediately. Various alternatives were suggested and discussed, and Senator Ray suggested putting it in the Capital Improvements budget, the same as they had handled the urban renewal project for the North Star Borough (Dept. of Administration).

Mr. Warwick moved that \$50,000 be put in Administration for the Bethel water project. No objection, so ordered.

Mr. Warwick moved and asked unanimous consent that \$250,000 be line itemed in the Office of the Governor for a disaster

revolving loan fund. If he doesn't use it, Mr. Warwick said it would lapse. The motion failed.

Leg.
Intent

Senator Palmer moved and asked unanimous consent that legislative intent be included in the Fish and Game budget under Protection Division for a 25' or larger vessel and a protection officer, both to be used in the Cook Inlet area. No objection.
There being no further business before the committee, they recessed at 12:50 p.m.

HOUSE AND SENATE FREE CONFERENCE
May 11, 1971
11:50 a.m.

Present: All members.

The committee was called to order by the Chairman.

Mr. Hohman moved and asked unanimous consent that the effective date on capital improvements be changed from July 1, 1971 to an immediate effective date. The committee briefly discussed the ramifications of this and then adopted the motion.

The Free Conference Committee committee report, recommending "do pass" on FCCS SCS CS HB 58 was then signed by all six members.

The committee adjourned at 12:10 p.m.

Original sponsor: Rules Committee by request
of the Governor

1 IN THE HOUSE

BY THE FREE CONFERENCE COMMITTEE

2 FREE CONFERENCE CS FOR SENATE CS FOR CS FOR HOUSE BILL NO. 58

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating for the operating and capital
7 expenses of all departments, offices and agencies of
8 state government; and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. The sum of \$292,104,000 is hereby appropriated from the
11 general fund and from the unreserved special accounts in the general fund
12 for the periods specified, to be apportioned according to the schedules in
13 secs. 7, 8 and 9 of this Act.

14	General Fund	\$278,279,000
15	Highway Fuel Tax Account	9,417,000
16	Aviation Fuel Tax Account	1,650,000
17	Watercraft Fuel Tax Account	2,758,000

18 * Sec. 2. The sum of \$492,800 is appropriated from special fund reserve
19 accounts in the general fund for the periods specified, to be apportioned
20 according to the schedules in secs. 7, 8 and 9 of this Act.

21	FICA Administration Fund Reserve Account	\$ 19,200
22	Special Surplus Property Revolving Fund Reserve Account	138,500
23	Small Business Enterprise Revolving Fund Reserve Account	1,500
24	Second Injury Fund Reserve Account	120,000
25	Sick and Disabled Fishermen's Fund Reserve Account	213,600

26 * Sec. 3. The sum of \$14,029,800 is appropriated from special funds of
27 the state for the periods specified, to be apportioned according to the
28 schedules in secs. 7, 8 and 9 of this Act.

29	Public Employees' Retirement Fund	\$ 155,600
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1	Local Affairs	\$	727,000	
2	Rural Development		579,000	
3	Public Defender		600,000	
4	Criminal Justice		682,400	
5	Human Rights Commission		125,500	
6	State Museum		230,300	
7	Tokyo Office		68,000	
8	Mansion		63,100	
9	Boards & Commissions		372,500	
10	Youth in Government		150,000	
11	Contingency Fund		<u>250,000</u>	
12	Total - Office of the Governor	\$	<u>5,802,800</u>	
13	Fund Source - General Fund			\$ 4,436,800
14	Federal Program Receipts			1,366,000
15	Department of Administration			
16	Office of Commissioner	\$	320,000	
17	Personnel		704,700	
18	Budget & Management		453,100	
19	Finance		474,800	
20	Supply		707,000	
21	Data Processing		1,824,700	
22	Pioneer Homes			
23	Sitka		1,012,500	
24	Fairbanks		531,000	
25	Palmer		448,100	
26	Retirement Benefits		342,300	
27	Surplus Property		138,500	
28	Municipal Services - Revenue Sharing		7,100,000	
29	National Guard Accident Settlement		<u>225,000</u>	

1	Supreme Court	\$	652,500	
2	Administration		791,900	
3	All Judicial Districts		5,415,200	
4	Commission on Judicial Qualifications		7,600	
5	Alaska Judicial Council		<u>29,000</u>	
6	Total - Judicial Branch	\$	6,896,200	
7	Fund Source - General Fund			\$ 6,896,200
8	Legislative Branch			
9	Legislative Council			
10	Legislature	\$	1,420,100	
11	Legislative Affairs		493,500	
12	Pipeline Impact Committee		75,000	
13	Legislative Budget & Audit Committee		<u>453,600</u>	
14	Total - Legislative Branch	\$	<u>2,442,200</u>	
15	Fund Source - General Fund			\$ 2,442,200
16				
16			<u>EDUCATION</u>	
17	Department of Education			
18	Administration			
19	Board of Education	\$	28,800	
20	Office of Commissioner		142,200	
21	Advisory Commissions		75,000	
22	Scholarship Loan Revolving Fund		1,500,000	
23	Planning & Research		203,700	
24	Staff Development		10,000	
25	Publications		78,800	
26	Educational Broadcast Commission		808,800	
27	Administrative Services			
28	Director		104,300	
29	Budget & Accounting		185,000	

CORRECTION

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

Original sponsor: Rules Committee by request
of the Governor

1 IN THE HOUSE

BY THE FREE CONFERENCE COMMITTEE

2 FREE CONFERENCE CS FOR SENATE CS FOR CS FOR HOUSE BILL NO. 58

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act appropriating for the operating and capital
7 expenses of all departments, offices and agencies of
8 state government; and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. The sum of \$292,104,000 is hereby appropriated from the
11 general fund and from the unreserved special accounts in the general fund
12 for the periods specified, to be apportioned according to the schedules in
13 secs. 7, 8 and 9 of this Act.

14	General Fund	\$278,279,000
15	Highway Fuel Tax Account	9,417,000
16	Aviation Fuel Tax Account	1,650,000
17	Watercraft Fuel Tax Account	2,758,000

18 * Sec. 2. The sum of \$492,800 is appropriated from special fund reserve
19 accounts in the general fund for the periods specified, to be apportioned
20 according to the schedules in secs. 7, 8 and 9 of this Act.

21	FICA Administration Fund Reserve Account	\$ 19,200
22	Special Surplus Property Revolving Fund Reserve Account	138,500
23	Small Business Enterprise Revolving Fund Reserve Account	1,500
24	Second Injury Fund Reserve Account	120,000
25	Sick and Disabled Fishermen's Fund Reserve Account	213,600

26 * Sec. 3. The sum of \$14,029,800 is appropriated from special funds of
27 the state for the periods specified, to be apportioned according to the
28 schedules in secs. 7, 8 and 9 of this Act.

29	Public Employees' Retirement Fund	\$ 155,600
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Teachers' Retirement System Fund	\$ 166,100
Veterans' Revolving Loan Fund	274,500
Agricultural Revolving Loan Fund	78,300
Fish and Game Fund	1,974,500
International Airport Revenue Fund	9,445,800
School Fund (Cigarette Tax)	1,935,000

* Sec. 4. The sum of \$163,714,300 is appropriated from federal program receipts estimated to be received for general fund, special fund and bond construction fund programs during the periods specified, to be apportioned according to the schedules in secs. 7 and 9 of this Act, subject to provisions of secs. 12 and 13 of this Act.

* Sec. 5. The sum of \$792,100 is appropriated from other program receipts estimated to be received for general fund, special fund or bond construction fund programs during the fiscal year beginning July 1, 1971, to be apportioned according to the schedules in secs. 7 and 9 of this Act, subject to provisions of secs. 12 and 13 of this Act.

* Sec. 6. The sum of \$6,910,400 is appropriated from interagency receipts estimated to be received for general fund, special fund and bond construction funds during the fiscal year beginning July 1, 1971 to be apportioned according to the schedules in secs. 7 and 9 of this Act, subject to provisions of secs. 12 and 13 of this Act.

TOTAL BUDGET	\$478,043,400
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* Sec. 7. The following appropriations are made for operating expenditures for the fiscal year beginning July 1, 1971 and ending June 30, 1972:

GENERAL GOVERNMENT

Office of the Governor	
Executive Office	\$ 775,000
Lt. Governor	430,000
Planning & Research	750,000

1	Local Affairs	\$	727,000	
2	Rural Development		579,000	
3	Public Defender		600,000	
4	Criminal Justice		682,400	
5	Human Rights Commission		125,500	
6	State Museum		230,300	
7	Tokyo Office		68,000	
8	Mansion		63,100	
9	Boards & Commissions		372,500	
10	Youth in Government		150,000	
11	Contingency Fund		<u>250,000</u>	
12	Total - Office of the Governor	\$	<u>5,802,800</u>	
13	Fund Source - General Fund			\$ 4,436,800
14	Federal Program Receipts			1,366,000
15	Department of Administration			
16	Office of Commissioner	\$	320,000	
17	Personnel		704,700	
18	Budget & Management		453,100	
19	Finance		474,800	
20	Supply		707,000	
21	Data Processing		1,824,700	
22	Pioneer Homes			
23	Sitka		1,012,500	
24	Fairbanks		531,000	
25	Palmer		448,100	
26	Retirement Benefits		342,300	
27	Surplus Property		138,500	
28	Municipal Services - Revenue Sharing		7,100,000	
29	National Guard Accident Settlement		<u>225,000</u>	

1	Total - Department of Administration	<u>\$ 14,281,700</u>	
2	Fund Source - Program Receipts		\$ 17,000
3	Inter-Agency Receipts		423,700
4	Special Funds		
5	Public Employees Retirement		153,300
6	Teachers Retirement		162,900
7	FICA Administration		18,400
8	Surplus Property Account		138,500
9	General Fund		13,367,900
10	Department of Law		
11	Civil and Criminal		
12	Administration and Operation	\$ 2,282,700	
13	Reimbursable Services	322,000	
14	Cook Inlet case	<u>50,000</u>	
15	Total - Department of Law	<u>\$ 2,654,700</u>	
16	Fund Source - Inter-Agency Receipts		\$ 322,000
17	General Fund		2,332,700
18	Department of Revenue		
19	Office of Commissioner	\$ 121,600	
20	Administrative Service	372,300	
21	Collections	545,000	
22	Audit	590,000	
23	Motor Vehicle	700,200	
24	Treasury	513,600	
25	Excise Tax	115,000	
26	ABC Board	<u>185,800</u>	
27	Total - Department of Revenue	<u>\$ 3,143,500</u>	
28	Fund Source - General Fund		\$ 3,143,500
29	Judicial Branch		
	FCCS SCS CSHB 58		

1	Supreme Court	\$	652,500	
2	Administration		791,900	
3	All Judicial Districts		5,415,200	
4	Commission on Judicial Qualifications		7,600	
5	Alaska Judicial Council		<u>29,000</u>	
6	Total - Judicial Branch	\$	6,896,200	
7	Fund Source - General Fund			\$ 6,896,200
8	Legislative Branch			
9	Legislative Council			
10	Legislature	\$	1,420,100	
11	Legislative Affairs		493,500	
12	Pipeline Impact Committee		75,000	
13	Legislative Budget & Audit Committee		<u>453,600</u>	
14	Total - Legislative Branch	\$	<u>2,442,200</u>	
15	Fund Source - General Fund			\$ 2,442,200
16				
16			<u>EDUCATION</u>	
17	Department of Education			
18	Administration			
19	Board of Education	\$	28,800	
20	Office of Commissioner		142,200	
21	Advisory Commissions		75,000	
22	Scholarship Loan Revolving Fund		1,500,000	
23	Planning & Research		203,700	
24	Staff Development		10,000	
25	Publications		78,800	
26	Educational Broadcast Commission		808,800	
27	Administrative Services			
28	Director		104,300	
29	Budget & Accounting		185,000	

1	Support Services	\$ 86,900
2	School Lunch	967,000
3	Federal Programs	3,878,600
4	Instructional Services	
5	Director	79,300
6	Consultant Services	284,100
7	Teacher Education & Certification	53,800
8	Correspondence Studies	137,600
9	Special Education	100,400
10	District School Support	
11	Foundation Program	67,130,000
12	Pupil Transportation	5,185,000
13	Teacher Retirement	2,500,000
14	Tuition	150,000
15	Johnson-O'Malley Aid	208,000
16	Juveniles in Detention	45,000
17	Sabbatical Leave	40,000
18	Revenue Sharing	1,700,000
19	Debt Service	3,000,000
20	Regional & Boarding Schools	
21	Director	258,000
22	Boarding Home Program	2,423,400
23	Dormitories	1,162,200
24	Vocational Education	
25	General Program	1,431,500
26	Community Colleges	900,000
27	Manpower Development Training	466,700
28	Community Programs	280,900
29	Skill Center	1,022,300

1	Vocational Rehabilitation		
2	General Program	\$ 1,928,300	
3	Small Business Program	1,500	
4	Rehabilitation Facilities Innov.	25,000	
5	Training Grants	3,400	
6	Rural Rehabilitation	222,200	
7	Social Security Disability Rehab.	25,000	
8	Social Security Determination	88,900	
9	State Libraries	<u>660,000</u>	
10	Total - Department of Education	<u>\$ 99,581,600</u>	
11	Fund Source - Federal Receipts		\$ 13,064,200
12	Program Receipts		275,000
13	Inter-Agency Receipts		944,800
14	Special Funds		
15	Small Business Revolving		1,500
16	General Fund		85,296,100
17	State-Operated Schools		
18	District Office	\$ 1,044,800	
19	Area Schools	25,981,100	
20	Non-Resident Tuition	1,000,000	
21	Special Education	509,100	
22	Teacher Corps/Career Opportunity	1,076,200	
23	Bilingual Aides	238,800	
24	Rural Schools Project	<u>150,000</u>	
25	Total - State-Operated Schools	<u>\$ 30,000,000</u>	
26	Fund Source - Federal Receipts		\$ 16,045,900
27	General Fund		13,954,100
28	University of Alaska	<u>\$ 19,500,000</u>	
29	Fund Source - General Fund		\$ 19,500,000

HEALTH AND WELFARE

Department of Health and Welfare

Administration

Office of Commissioner	\$ 170,100
Administrative Services	1,107,400
Comprehensive Planning	213,700
Office of Aging	208,200

Public Welfare

Administration	2,540,300
Staff Development	193,200
WIN - Work Incentive	745,600
Adult Public Assistance	7,125,300
AFDC	8,556,000
Food Stamp Program	418,300
General Relief	290,400
General Relief - Medical	2,326,300
Child Welfare Services	1,533,700

Mental Health

Administration	167,200
Community Mental Health	460,900
Hospital & Nursing Home Contracts	364,400
Institutional Services	
Harborview Memorial	2,165,100
Alaska Psychiatric	3,270,000
Mental Health Centers	104,500

Environmental Health

General Program	645,500
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Public Health

Administration	446,200
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1	Community Health	\$ 744,500	
2	Laboratories	427,200	
3	Office of Alcoholism	654,300	
4	Child Health Service	969,300	
5	Public Health Nursing	1,754,900	
6	TB Control & Chest Diseases	439,400	
7	Corrections		
8	Administration	1,232,500	
9	Care of Prisoners		
10	Adult Camp	645,600	
11	Anchorage-SCRCI	557,200	
12	Juneau-SERCI	895,300	
13	Fairbanks-NCRI	820,700	
14	Ketchikan State Jail	305,500	
15	Prisoner Admin.-Other	801,200	
16	Care of Juveniles		
17	Alcantra Youth Camp	374,400	
18	McLaughlin Youth Center	1,911,300	
19	Juvenile Admin.-Other	<u>670,000</u>	
20	Total - Department of Health and Welfare	<u>\$ 46,255,600</u>	
21	Fund Source - Federal Receipts		\$ 8,475,800
22	Program Receipts		63,100
23	Inter-Agency Receipts		52,300
24	General Fund		37,664,400
25	Department of Environmental Affairs		
26	General Program	\$ 679,200	
27	Water Pollution Control	144,900	
28	Water & Sewer Grants	2,000,000	
29	Air Pollution Grants	<u>50,000</u>	

1	Total - Department of Environmental Affairs	\$ 2,874,100	
2	Fund Source - Federal Receipts		\$ 53,000
3	General Fund		2,821,100
4		<u>REGULATION</u>	
5	Department of Labor		
6	Administration		
7	Office of Commissioner	\$ 284,100	
8	Fishermen's Fund	213,600	
9	Employ the Handicapped	6,200	
10	Wage & Hour	151,000	
11	Industrial Safety		
12	Safety & Electrical Insp.	349,600	
13	Pressure Vessel Insp.	162,300	
14	Workmen's Compensation		
15	Administration	166,900	
16	Second Injury	120,000	
17	Employment Security		
18	Grants	4,423,400	
19	WIN	504,700	
20	Camps	67,400	
21	MDTA	305,200	
22	Manpower Training		
23	Administration	345,100	
24	OJT	112,000	
25	New Careers	308,200	
26	Hire	<u>184,700</u>	
27	Total - Department of Labor	<u>\$ 7,704,400</u>	
28	Fund Source - Federal Receipts		\$ 5,857,500
29	Inter-Agency Receipts		144,000
	FCCS SCS CSHB 58		

1	Special Funds		
2	Second Injury Reserve	\$	120,000
3	Sick & Disabled Fishermen's		213,600
4	General Fund		1,369,300
5	Department of Commerce		
6	Regulation of Business		
7	Office of Commissioner	\$	191,000
8	Banking, Securities, etc.		256,500
9	Insurance		199,800
10	Weights & Measures		400,100
11	Occupational Licensing		321,200
12	Regulation of Public Service		
13	Utilities		636,500
14	Transportation		523,300
15	Veterans Loan Administration		264,300
16	Veterans Service Council		<u>34,500</u>
17	Total - Department of Commerce	\$	<u>2,827,200</u>
18	Fund Source - Special Funds		
19	Veterans Revolving Loan	\$	264,300
20	General Fund		2,562,900
21	<u>PUBLIC PROTECTION</u>		
22	Department of Military Affairs		
23	Alaska National Guard	\$	1,142,700
24	Alaska Disaster Office		414,700
25	Civil Air Patrol		<u>92,600</u>
26	Total - Department of Military Affairs	\$	<u>1,650,000</u>
27	Fund Source - Federal Receipts	\$	693,200
28	Inter-Agency Receipts		9,000
29	General Fund		947,800

1	Department of Public Safety		
2	General Administration	\$	173,900
3	Technical Services		706,700
4	State Troopers		5,852,100
5	Fire Prevention		<u>264,100</u>
6	Total - Department of Public Safety	\$	<u>6,996,800</u>
7	Fund Source - Inter-Agency Receipts	\$	159,100
8	General Fund		6,837,700
9	<u>CONSERVATION, NATURAL RESOURCES AND DEVELOPMENT</u>		
10	Department of Natural Resources		
11	Administration	\$	260,100
12	Land Management		2,252,800
13	Geological Survey		775,000
14	Oil & Gas		423,000
15	Agriculture		
16	Office of Director		106,500
17	Plant Industry		51,600
18	Animal Industry		261,800
19	Loan Fund Administration		76,300
20	Loan Fund Capital		200,000
21	Small Grain Incentive		80,000
22	Parks		
23	Office of Director		171,500
24	Planning		94,800
25	Operations & Maintenance		425,800
26	Construction		86,500
27	Geophysical Program		250,000
28	Pipeline Construction Monitoring		<u>250,000</u>
29	Total - Department of Natural Resources	\$	<u>5,765,700</u>

1	Fund Source - Federal Receipts	\$	308,400
2	Inter-Agency Receipts		282,000
3	Special Fund		
4	Agricultural Revolving Loan		76,300
5	General Fund		5,099,000
6	Department of Fish and Game		
7	Administration		
8	Office of Commissioner	\$	228,900
9	Board of Fish & Game		31,100
10	Administration		839,300
11	Information & Education		101,600
12	Hatchery Services		253,400
13	Habitat		213,900
14	Commercial Fisheries		
15	Management		2,095,400
16	Research		1,052,000
17	Research & Development		363,300
18	Anadromous Fish		500,000
19	Test Fish		71,900
20	Game		
21	Management		219,900
22	Federal Aid		2,576,700
23	Sport Fish		
24	Management		583,300
25	Federal Aid		893,400
26	Sport Fish Stocking		60,700
27	Protection		2,064,800
28	King Crab Control Board		95,500
29	Bounty Payments		25,000

1	Stream Rehabilitation Program	\$ 770,000	
2	Total - Department of Fish and Game	<u>\$ 13,040,100</u>	
3	Fund Source - Federal Receipts		\$ 3,620,400
4	Program Receipts		109,500
5	Inter-Agency Receipts		74,500
6	Special Funds		
7	Fish & Game		1,917,000
8	General Fund		7,318,700
9	Department of Economic Development		
10	Office of Commissioner	\$ 212,700	
11	Industrial Development	302,400	
12	Travel Division	950,300	
13	Small Business Development	<u>37,500</u>	
14	Total - Department of Economic Development	<u>\$ 1,502,900</u>	
15	Fund Source - General Fund		\$ 1,502,900
16	<u>TRANSPORTATION, COMMUNICATIONS AND BUILDING SERVICES</u>		
17	Department of Public Works		
18	Commissioner's Office	\$ 136,700	
19	Administration	582,300	
20	Aviation		
21	Administration	443,800	
22	Airport Operations	3,450,000	
23	Anchorage International	4,976,000	
24	Fairbanks International	1,759,000	
25	Design Administration	297,000	
26	Construction Engineering	118,700	
27	Buildings		
28	Director's Office	135,000	
29	Custodial	410,400	

1	Maintenance	\$ 3,300,000	
2	Planning & Design	283,900	
3	Construction	284,900	
4	Communications	900,000	
5	Marine Transportation		
6	Administration	1,322,500	
7	Southeast Systems		
8	Operations	6,499,400	
9	Steward	3,215,700	
10	Southwest Systems		
11	Operations	1,899,800	
12	Steward	<u>458,000</u>	
13	Total - Department of Public Works	<u>\$ 30,473,100</u>	
14	Fund Source - Program Receipts		\$ 210,000
15	Inter-Agency Receipts		3,331,400
16	Special Funds		
17	Int'l Airport Revenue		7,149,300
18	Aviation Fuel Tax		1,561,600
19	General Fund		18,220,800
20	Department of Highways		
21	Administration	\$ 4,885,900	
22	Maintenance	<u>15,700,000</u>	
23	Total - Department of Highways	<u>\$ 20,585,900</u>	
24	Fund Source - Federal Receipts - Forest Highway		
25	Maintenance		\$ 200,000
26	Program Receipts		117,500
27	Inter-Agency Receipts		282,600
28	Special Funds		
29	1970 Highway Construction		750,000

Highway Fuel Tax Account	\$ 9,417,000
General Fund	9,818,800

DEBT SERVICE

Bond Committee

General Obligation Bonds	\$ 19,600,000
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Revenue Bonds	<u>1,710,000</u>
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Total - Bond Committee	\$ 21,310,000
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Fund Source - General Fund	\$ 19,213,000
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School Fund (Cigarette Tax)	387,000
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International Airport Revenue Fund	1,710,000
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SALARY INCREASE AND OTHER ADJUSTMENTS

Department of Administration

To Cover Costs of Salary Increases

Per Annual Salary Survey	\$ 3,875,000
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Fund Source - General Fund	\$ 3,600,000
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Teachers Retirement System Fund	3,200
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Public Employees Retirement Fund	2,300
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Veterans Revolving Loan Fund	10,200
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Agricultural Loan Fund	2,000
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Fish and Game Fund	57,500
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International Airport Revenue Fund	199,000
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FICA Administration Fund Reserve	
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Account	800
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The sum appropriated to the Department of Administration for added costs of salary increases may be allotted to the 1971-72 operating programs for all state agencies and the court system, if required.

Department of Administration

To Cover Costs of Certain State Employees

Coverage Under Employment

1	Security Benefits	\$ 75,000	
2	Fund Source - General Fund		\$ 75,000
3	TOTAL OPERATING BUDGET	\$349,238,500	
4	Fund Source - General Fund		\$268,420,900
5	Aviation Fuel Tax Account		1,561,600
6	Highway Fuel Tax Account		9,417,000
7	Federal Program Receipts		49,684,400
8	Other Program Receipts		792,100
9	1970 Highway Construction Fund		750,000
10	Public Employees' Retirement Fund		155,600
11	Teachers' Retirement Fund		166,100
12	Veterans' Loan Fund		274,500
13	Agricultural Revolving Loan Fund		78,300
14	Fish and Game Fund		1,974,500
15	International Airport Revenue Fund		9,058,300
16	School Fund (Cigarette Tax)		387,000
17	FICA Administration Fund Reserve Account		19,200
18	Special Surplus Property Revolving Reserve		
19	Account		138,500
20	Small Business Enterprise Revolving Fund		
21	Reserve Account		1,500
22	Second Injury Fund Reserve Account		120,000
23	Sick and Disabled Fishermen's Fund		
24	Reserve Account		213,600
25	Inter-Agency Receipts		6,025,400

26 * Sec. 8. The following appropriations are made from taxes and revenues
 27 for the fiscal year beginning July 1, 1971 and ending June 30, 1972 to be
 28 distributed among the eligible political subdivisions of the state according
 29 to the statutes and regulations authorizing the apportionments.

1	Alaska Business License Tax	\$ 2,668,400	
2	Aviation Fuel Tax	88,400	
3	Electric and Telephone Coopera-		
4	tive tax	380,500	
5	Fish Processors Taxes	408,400	
6	Liquor Licenses	400,300	
7	Amusement and Gaming Devices Tax	53,000	
8	National Forest Receipts	284,500	
9	Cigarette Tax	<u>1,548,000</u>	
10	TOTAL, SHARED TAXES AND REVENUES	\$ 5,831,500	
11	Fund Source - General Fund		\$ 4,195,100
12	Aviation Fuel Tax Account		88,400
13	School Fund (Cigarette Tax)		1,548,000
14	* Sec. 9. The following appropriations are made for capital projects and		
15	are effective on the day after passage and approval of this Act or on the		
16	day it becomes law without approval:		
17	Office of the Governor		
18	Alaska State Museum:		
19	Totem pole restoration projects:		
20	City of Ketchikan	\$ 146,000	
21	Port Chilkoot	20,000	
22	Saxman Park	10,000	
23	Hydaburg	15,000	
24	Klawock	<u>20,000</u>	
25	Total- Office of the Governor	\$ <u>211,000</u>	
26	Fund Source - General Fund		\$ 211,000
27	Department of Administration		
28	Kodiak, Erskine House roof repair	\$ 9,000	
29	St. Michael's Cathedral Fund, Sitka	50,000	

1	Urban Renewal Project, North		
2	Star Borough	\$	270,000
3	Water Project, Bethel		<u>50,000</u>
4	Total - Department of Administration	\$	<u>379,000</u>
5	Fund Source - General Fund		\$ 379,000
6	Department of Education		
7	Haines Academic School Facilities	\$	750,000
8	Nenana High School Multipurpose		
9	Facility		850,000
10	Galena, two relocatable classrooms		150,000
11	Healy Multipurpose Facility		400,000
12	Nome Elementary School Addition		<u>1,553,000</u>
13	Total - Department of Education	\$	<u>3,703,000</u>
14	Fund Source - General Fund		\$ 3,703,000
15	Department of Health and Welfare		
16	Recreational Camp, Harborview		
17	Hospital, Valdez	\$	40,000
18	Alaska Treatment Center for		
19	Crippled Children and Adults,		
20	Hospital Facility, Anchorage		<u>150,000</u>
21	Total - Department of Health & Welfare	\$	<u>190,000</u>
22	Fund Source - General Fund		\$ 190,000
23	Department of Natural Resources		
24	Haines State Fair Building	\$	50,000
25	Ninilchik State Fair Building		50,000
26	Matanuska State Fair Building, Palmer		50,000
27	Tanana State Fair Building, Fairbanks		<u>50,000</u>
28	Total-Department of Natural Resources	\$	<u>200,000</u>
29	Fund Source - General Fund		\$ 200,000

1	Department of Fish and Game		
2	Fisheries Rehabilitation Program	\$	180,000
3	Fund Source - General Fund		\$ 180,000
4	Department of Economic Development		
5	Municipal, Civic Convention, and		
6	Community Recreation Center		
7	Planning	\$	200,000
8	Fund Source - General Fund		\$ 200,000
9	Department of Public Works		
10	International, Trunk and Secondary		
11	Airport Projects	\$	22,917,400
12	State Building Project: Site		
13	Improvements and Land Acquisition		600,000
14	Water and Harbor Projects and Facilities at:		
15	Nome (dredging) Harbor		
16	Metlakatla Harbor		
17	Cordova Harbor		
18	Kake Harbor		
19	King Cove Harbor		
20	Kenai Harbor		
21	Tenakee Harbor		
22	Juneau Harbor		
23	Kasaan Harbor		
24	Anchorage Harbor		
25	Hoonah Harbor		
26	Port Alexander Harbor		
27	Ketchikan Harbor		
28	Wrangell Harbor		
29	Hollis-Craig Harbor		

1	Auke Bay Harbor	
2	Knudson Cove Harbor	
3	Kodiak Harbor	
4	Haines (dredging) Harbor	
5	Anton Larson Bay Harbor	
6	Boat Launching Ramps	
7	Emergency repairs	
8	Administration and General	
9	Engineering	\$ 2,893,000
10	Total - Department of Public Works	<u>\$ 26,410,400</u>
11	Fund Source - General Fund	\$ 600,000
12	Watercraft Fuel Tax Account	2,758,000
13	Federal Program Receipts	22,529,900
14	Inter-Agency Receipts	135,000
15	International Airport Revenue Fund	387,500
16	Department of Highways	
17	Federal Highways and Ferry Aid	
18	Program	\$ 91,500,000
19	Fund Source - Federal Program Receipts	\$ 91,500,000
20	TOTAL - CAPITAL BUDGET	\$122,973,400
21	Fund Source - General Fund	\$ 5,663,000
22	Watercraft Fuel Tax Account	2,758,000
23	Federal Program Receipts	114,029,900
24	International Airport Revenue Fund	387,500
25	Inter-Agency Receipts	135,000
26	* Sec. 10. The sum of \$8,093,000 is appropriated from working capital	
27	funds for the period beginning July 1, 1971 and ending June 30, 1972.	
28	Department of Highways	
29	Equipment, Operation and	

1	Maintenance	\$ 6,514,500
2	Equipment Purchase	<u>1,578,500</u>
3	Total - Department of Highways	\$ 8,093,000
4	Fund Source - Equipment Working Capital Fund	\$ 8,093,000

5 * Sec. 11. If federal program receipts or other program receipts exceed
6 the estimates appropriated by this Act and are appropriated to the affected
7 program, the appropriation from state funds for the affected program shall
8 be reduced by the amount of the excess provided the reductions are not
9 inconsistent with applicable federal statutes. However, if the program
10 receipts, other than federal receipts, support programs that provide services
11 for all state agencies, they may be made available for expenditure by a
12 budget amendment approved by the governor and the Legislative Budget and
13 Audit Committee. The governor shall report the budget amendments allowed by
14 this section to the Second Session of the Seventh Legislature.

15 * Sec. 12. If federal program receipts or other program receipts not
16 appropriated by this Act and not requiring state matching money are received
17 by a department, office or agency of the state during the fiscal period
18 covered by this Act, they may be appropriated and made available for expendi-
19 ture by a budget amendment approved by the governor and the Legislative
20 Budget and Audit Committee. The governor shall report the budget amendments
21 allowed under this section to the First Session of the Eighth Legislature.

22 * Sec. 13. If federal program receipts or other program receipts fall
23 short of the estimates appropriated by this Act, the governor shall reduce
24 the affected appropriation by the amount of the short fall in receipts.

25 * Sec. 14. Adjustments may be made in the appropriations from a working
26 capital fund for the fiscal period covered by this Act, when necessitated by
27 changes in requirements for services and supplies. The adjustments shall be
28 approved by the governor and the Legislative Budget and Audit Committee.

29 * Sec. 15. (a) If the amount required under applicable statutes for

1 refunds of shared taxes and revenues to eligible political subdivisions
2 exceeds the estimates appropriated by this Act, the excess is appropriated.

3 (b) Refunds may be made in the manner prescribed by law from any fund
4 in any amount due.

5 * Sec. 16. This Act takes effect on the day after its passage and approv-
6 al or on the day it becomes law without approval.

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JOURNAL
SUPPLEMENT

SENATE AND HOUSE - SUPPLEMENT NO. 5

May 11, 1971

FREE CONFERENCE COMMITTEE REPORT
FCCSSCSCSHB NO. 58

This report reflects the intent of the Free Conference Committee on HOUSE BILL NO. 58 and the significant decisions of the committee relative to the appropriations for the various state agencies.

OPERATING BUDGET

GENERAL GOVERNMENT

OFFICE OF THE GOVERNOR

Planning and Research. The committee included \$50,000 for a study of income needs of the aged.

Local Affairs. Funds were increased for state participation in OEO programs.

Rural Development. Headstart Child Development Program, public works projects under AS 44.19.610(3), are funded at \$50,000.

Boards and Commissions. The committee has added \$2,200 for reimbursement for the Bartlett statue pedestal.

Contingency Fund. An additional \$100,000 has been included for pipeline information expenditures.

DEPARTMENT OF ADMINISTRATION

Municipal Services Revenue Sharing. The committee added \$600,000 to the Revenue Sharing account for state aid to hospitals, health facilities, and services as provided in SENATE BILL NO. 42.

DEPARTMENT OF REVENUE

Audit. The committee provided funding for three new field agents.

Motor Vehicle. The reduction in this division anticipates \$100,000 in savings through use of license plate tabs for an additional year rather than issue new plates.

Treasury. This division was reduced by \$150,000 (the Governor's proposed enrichment of the investment program); this is partially offset by the addition of \$50,000 for a Mortgage Loan Officer and related staff, supplies and equipment.

LEGISLATURE

Legislative Council -- Legislature. The amount appropriated for the Legislature includes legislative salaries (\$632,900), 90 days session help (\$337,800), 94 days legislative

per diem and round trip session travel (\$209,400) and legislative expense allowances (\$240,000).

Legislative Budget and Audit Committee. This budget was funded as requested, with the addition of \$50,000 in contractual audit services and \$125,900 in funding for the new Legislative Finance Division (all positions in Legislative Finance are currently funded in Legislative Affairs).

EDUCATION

DEPARTMENT OF EDUCATION

Administration -- Scholarship Loans. No portion of this appropriation shall be used for the payment of grants to students or as payment for services rendered under contractual agreements with privately sponsored institutions of higher education.

Educational Broadcasting Commission. This appropriation includes \$627,000 for the lower Kuskokwim/Yukon educational TV network and \$50,000 for construction of a radio station in Kotzebue.

District School Support -- Debt Service. The committee included funds for cash payment reimbursement under SENATE BILL NO. 15.

Foundation Program. The appropriation for the foundation program may be underfunded. In such case, all districts able to substantiate additional support requirements will be fully funded in a supplemental appropriation.

Libraries. It is the intent of the committee that the following two projects shall be accomplished within the approved appropriation, without resort to a supplemental appropriation: the indexing of governmental and other publications on Alaska (as proposed in HB 356 and HCR 29); and the indexing of microfilm and translation of historical documents pertinent to the Russian period in Alaskan history (as proposed in HB 329).

STATE OPERATED SCHOOLS

Area Schools. The appropriation for Area Schools includes funding for increased payments to Alaska Village Electrification Cooperative; and for the operation and maintenance of the Gakona school.

UNIVERSITY OF ALASKA

The appropriation for the University includes funds to cover faculty and employee salary increases.

HEALTH AND WELFARE

DEPARTMENT OF HEALTH AND WELFARE

Administration -- Office of the Commissioner. The committee did not allow the second deputy director and related costs requested.

Public Welfare -- Administration. The Clerk Typist II shall be reinstated in the Nome office.

Aid to Families with Dependent Children. This appropriation includes \$200,000 for Operation Upgrade.

Food Stamp Program. The Eligibility Worker II positions shall be reinstated (one each) in the Nome office and the Kotzebue office.

Public Health -- Community Health. The committee added \$200,000 for the Anchorage Borough Health Department (for a total of \$360,000), and restored the other grants to their current level.

Office of Alcoholism. The committee included \$250,000 additional funding for grants to detoxification centers.

Child Health Service. The committee provided for a new position of Public Health Nurse II in Wrangell and the reinstatement of the Public Health Nurse II in Bethel. The committee also added \$125,000 to grants for the Alaska Methodist University nursing program (\$175,000 total).

Corrections. No decreases from the Governor's allowance were made in contractual services, commodities or equipment.

DEPARTMENT OF ENVIRONMENTAL AFFAIRS

General Program. This program includes the \$500,000, as requested by the Governor, for this new department and funds transferred from Environmental Health, General Program. Also included within this funding is a Sanitarian II for the Kenai and Drift River oil tanker loading facilities to check compliance with state laws regarding ballast loading and discharge.

REGULATION

DEPARTMENT OF COMMERCE

Occupational Licensing. The committee included \$60,000 to fund testing of automatic pipeline welding processes.

PUBLIC PROTECTION

DEPARTMENT OF PUBLIC SAFETY

Division of Technical Services. The appropriation for this division includes the state matching of \$97,300 for the Criminal Justice Information System (matched 60/40, federal/state, under the Omnibus Crime Control and Safe Streets Act of 1968).

CONSERVATION, NATURAL RESOURCES AND DEVELOPMENT

DEPARTMENT OF NATURAL RESOURCES

Land Management. The committee added \$20,000 in contractual services for water table research in the Kenny Lake Soil Conservation District.

Cadastral Engineering. This appropriation includes \$100,000 for the North Tee Harbor subdivision access road.

Oil and Gas Division. The position of Petroleum Reservoir Engineer shall be reinstated with the additional funds that were included for this purpose.

Loan Fund Capital. The Department of Revenue shall give serious consideration to the purchase of mortgages and notes made under the Alaska Agriculture Loan Act.

DEPARTMENT OF FISH AND GAME

Administration. The committee included \$10,000 in support of Zoological education programs in the Anchorage Area.

Commercial Fisheries -- Research. The AYK Region Whitefish Research Program was funded at \$37,400.

Sport Fish. The requested "special programs" were disallowed; in their place a sport fish stocking program was authorized.

Protection. This budget includes funding for seven part-time protection officers: two in southeast, two in Cook Inlet, two in Prince William Sound and one in Kodiak. It also includes funds for a 25 foot or longer enforcement vessel and an additional protection officer for enforcement work, both to be stationed in the Cook Inlet area.

Stream Rehabilitation Program. This funds the Governor's revised requested program plus the inclusion of \$1,000 in stream rehabilitation funds for Chester Creek in the Anchorage area.

TRANSPORTATION, COMMUNICATIONS AND BUILDING SERVICES

DEPARTMENT OF PUBLIC WORKS

Buildings -- Director's Office. The committee authorized a new position of Deputy Director.

Maintenance. Since the scheduled transfer of 15 BIA schools to the state system on July 1 is no longer anticipated, inter-agency receipts were decreased accordingly.

CAPITAL PROJECTS

DEPARTMENT OF ADMINISTRATION

The capital improvement appropriations made to the Department of Administration (for Eskine House, Kodiak; Urban Renewal Project, North Star Borough; Water Project, Bethel; and St. Michael's Cathedral Fund, Sitka) shall be paid as grants to the named agencies.

DEPARTMENT OF ECONOMIC DEVELOPMENT

The capital improvement appropriation made to the Department of Economic Development for municipal, civic convention, and community recreation center planning shall be paid as grants to the appropriate local government (HB 119).

DEPARTMENT OF PUBLIC WORKS

The capital improvement appropriation made for water and harbor projects, boat launching ramps is to include facilities at Big Delta.



Senator John Butrovich
Co-Chairman
Free Conference Committee



Representative George Mohman
Co-Chairman
Free Conference Committee



Senator John Butrovich
Co-Chairman
Free Conference Committee



Representative George Mohman
Co-Chairman
Free Conference Committee

FREE CONFERENCE COMMITTEE

ON THE BUDGET

FREE CONFERENCE COMMITTEE ON THE BUDGET
Thursday, April 29, 1971
11:00 a.m.

Present: All members of the Free Conference Committee on the budget were present. Membership is: from the House, Messrs. Hohman, Warwick, and Fink; from the Senate, Senators Butrovich, Palmer, and Ray. Also present were members of the press.

General: Senator Butrovich moved and asked unanimous consent that Mr. Hohman be elected chairman of the committee. There being no objection, it was so ordered.

Senator Ray moved and asked unanimous consent that the committee go into executive session. Objection was heard, and on vote, the motion failed. Sen. Ray then moved that the committee go into executive session for purposes of discussing their policy on executive sessions. Motion carried. Members of the press were asked to leave.

Recess: Committee recessed at 11:10.

After Recess
11:20 a.m.

Chairman Hohman called the meeting back to order. Sen. Palmer asked if votes on procedure were to be considered in the same way as the final vote on the conference committee report, i.e. that in order for a motion to carry, it must be supported by a majority of the committee from each house. After discussion, the committee decided that this would be the manner in which they would operate. Sen. Ray renewed his motion to go into executive session for the remainder of the free conference discussion. Mr. Warwick objected. Discussion was held on the merits and drawbacks of going into executive session. Mr. Fink stated that it was the feeling of the leadership in the House that all committee meetings were to

be open, and he felt obligated to support that stand unless he could see clear reason otherwise. Mr. Warwick stated that all House Finance Committee meetings have been open, including their budget closeouts, and they have had no difficulty with other legislators or the press. Principal views expressed by the Senate members, who supported the motion to go into executive session, were that first, members of the press were liable to misinterpret what was happening in conference committee, and report misinformation to the public since figures are often changed many times during the meeting and also that personalities of the state are often discussed and persons could be harmed by printing of such discussion; second, that if the Press is allowed, the meeting is then open to anyone, and legislators, lobbyists and members of the public will come, thus greatly slowing down the free conference process. Mr. Fink suggested that perhaps the first problem could be avoided by an agreement with the press to not print anything about the meetings until final action of the committee. However, Sen. Ray pointed out that they would have more than the Press to contend with should the meeting be opened.

Recess: Meeting recessed at 11:30 a.m.

After Recess
2:00 p.m.

Chairman Hohman called the meeting back to order. Sen. Ray renewed his motion to go into executive session. Mr. Warwick objected. The question was called and the motion failed, 3-3.

Recess: Meeting recessed at 2:25.

After Recess
2:45 p.m.

Chairman Hohman called the meeting back to order. Sen. Ray withdrew his original motion, and moved and asked unanimous consent that

the committee go into executive session at such times as it is directly discussing the finances of the state, personalities of employees, legislators or members of the administration and other such matters. Mr. Fink objected, and so the motion failed.

Recess: Meeting recessed at 3:05.

After Recess
3:12 p.m.

Chairman Hohman called the meeting back to order. Mr. Warwick moved and asked unanimous consent that the committee go into open session for the purposes of discussing the budget. Objection was heard; there being no discussion, the question was called and on vote the motion failed, 3-2, with Sen. Ray abstaining. Sen. Ray's earlier motion was again entertained, that being that the committee go into executive session at all such times as it is directly discussing the finances of the state, personalities of employees, legislators or members of the administration, and other such matters. He moved and asked unanimous consent. There being no objections, it was so ordered.

Mr. Freer came in.

Recess: Meeting recessed at 3:20. (During the recess, the Press was informed of the action of the Committee.)

After Recess
3:30 p.m.

Chairman Hohman called the meeting back to order. Sen. Ray suggested that in going through the budget recommendations, the committee with the lower figures handle the discussion and explain their cuts.

OFFICE OF
GOVERNOR

The committee began discussion on Office of the Governor. Total Governor's Revised Allowance is \$6,006,800; total House Allowance is \$6,122,000; and total Senate Allowance is \$5,639,300.

Mr. Hohman noted that he feels a problem throughout the budgets is the different ways in which the two committees handled vacancy and turnover. Sen. Ray said that he does have figures for Personal Services with and without the Senate Vacancy factor.

EXECUTIVE
OFFICE

The Senate figure for Personal Services in the Executive Office is \$498,800. Reduction is due to vacancy and turnover and elimination of overtime.

Code 100

Code 200 The Senate figure for Travel is \$36,500, which is the same as the Governor's.

Code 300 The Senate figure for Contractual Services is \$137,300, chief reduction being the Washington D.C. office.

Code 400 The Senate Figure for Commodities is \$15,000.

[NOTE: In the Office of Governor, Senate figures are compared with Original Governor's request, as the revised budget was not delivered to the Senate in time to be considered by the committee.]

Code 500 The Senate figure for Equipment is \$1200.

Code 900 The Senate figure for Inter-Agency Charges is \$8100.

Total Total Senate figure for Executive Office is \$696,900.

Mr. Fink asked if the Senate took out overtime in all the budgets, and Sen. Ray explained that if overtime was not previously funded, the Senate eliminated it. In ongoing programs, however, such as Fish and Game Protection, State Troopers, etc., overtime has been allowed. Mr. Fink raised a question about payment of overtime, wondering if the departments wouldn't go ahead and pay it and then come in with a supplemental. Sen. Butrovich said that Mr. Charney of Budget and Management had said that if it is not funded, it won't be spent.

'1
Fisheries

The Senate figure for International Fisheries is \$56,300, arrived at through small cuts in Travel, Contractual Services and Commodities.

GOVERNOR

Sen. Ray noted that there is only a \$30,000 difference between the Governor's revised figure and the Senate figure, even though the Senate did not have the Governor's revised figures to work with.

General Program

Code 100

The Senate figure for Personal Services is \$95,500. They took out \$1200 Vacancy and Turnover.

Code 200

The Senate figure for Travel is \$14,000, which is the same as the Governor's.

Code 300

The Senate figure for Contractual Services is \$39,000, representing the program maintenance level except that in Code 380, for Hearings under the Administrative Procedures Act, the Senate allowed \$15,000 which is \$2,900 over the \$12,100 authorization last year.

Code 400

Senate figure for Commodities is \$3,400, the same as the Governor's.

Code 500

Senate figure for Equipment is \$900, the same as the Governor's.

Code 900

Senate figure for Inter-Agency Charges is \$1500. They deleted the rental of a state car and gave them their program maintenance figure.

Elections

In Elections, the Senate figure for Personal Services is \$143,300.

Code 100

The \$1500 overtime request was disallowed.

Code 200

Senate figure is \$7,900, same as the Governor's.

Code 300

Senate figure is \$62,100, cuts in Printing and Advertising, Transportation of things, and other Contractual Services.

Code 400

Senate figure is \$4,600, the same as the Governor's.

Code 500

The Senate figure is \$600, which is the same as the maintenance level. Sen. Ray said that the big difference in Elections is reduction in contractual services, and he said that he would say there is possible room for recovery of that.

PLANNING & RESEARCH

Sen. Ray explained that the structure of this division has been changed; the research functions have been transferred to Local

Affairs, and so the new name of the division is Comprehensive Planning. The Senate's figure for Comprehensive Planning is \$696,100.

Code 100 The Senate's Personal Services figure is \$160,400, arrived at by taking the 1970-71 actual and adding \$15,100 for increases in salary and employee benefits. The overtime request was denied.

Code 200 Senate figure for Travel is \$17,500, an increase of \$1500 over last year. Mr. Hohman noted that their stated maintenance level is \$29,500, and that the difference is due to an increase in per diem, air travel costs, etc. Sen. Ray said that in looking over the schedule of meetings, the committee felt \$17,500 would be sufficient.

Code 300 Senate figure for Contractual Services is \$513,000, which cuts out some of the programs, particularly those with little or no federal matching. Sen. Palmer noted that \$513,000 is still 3 1/2 times over last year's appropriation.

Code 400 Senate figure for Commodities is \$3200, which is a \$1,000 cut.

Code 500 The Senate allowed nothing since the equipment is related to new positions which were disallowed.

Code 900 The Senate's Inter-Agency figure is \$2,000. Mr. Fink noted that the House added \$80,000 for Legal Services and \$50,000 for the interim Committee for the Aged. Sen. Butrovich did not feel these were justified.

LOCAL AFFAIRS The Senate allowed the Governor's figure of \$687,000 for Local Affairs.

RURAL DEVELOPMENT Administration Sen. Ray said that the only major change the Senate made under Rural Development in Administration was the \$1700 they cut out in Travel. The rest is the same as the Governor's and the total is \$102,800.

Grants & Claims The Senate figure for Grants and Claims is \$352,500. Mr. Fink

noted that the House allowed a \$100,000 increase for the Head Start Program.

PUBLIC
DEFENDER

Under the Public Defender Agency, for Personal Services, Sen.

Code 100

Ray said they took last year's personal services plus the salary increase, employee benefits, and reclassifications, and come up with a figure of \$422,100.

Code 200

Sen. Ray said the the committee felt that with new positions disallowed, they shouldn't need any more travel than last year when they needed travel for getting organized, so the Senate Allowance is \$28,800, an increase of \$300 over last year.

Code 300

The Senate figure for Contractual Services is \$100,000. This is the program maintenance level, with \$4,000 taken out of Code 350, which was for transportation of things for new hires which were disallowed.

Code 400

Senate figure for Commodities is \$84000.

Code 500

Senate figure for Equipment is \$1100.

Code 900

Senate figure for Inter-Agency Charges is \$500.

Total

The Total Senate allowance for the Public Defender is \$560,100.

Mr. Warwick asked if the Senate considered the UCLA program proposed by the Public Defender and the amount of money to be saved the state by it. Sen. Ray said the Senate had seriously considered this, but felt that there was insufficient documentation behind the request.

CRIMINAL
JUSTICE

The Senate figure for Criminal Justice is \$680,000.

CENTER FOR
ADMINISTRATION
OF JUSTICE

The Senate deleted the Center for Administration of Justice

HUMAN
RIGHTS

COMMISSION

The Senate and the House figures for the Human Rights Commission concurred at \$125,500.

BOARDS &
COMMISSIONS

Sen. Ray noted that the main difference between the House and Senate figures for Boards and Commissions is that the Senate

CORRECTION

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

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ADMINISTRATION
OF JUSTICE

The Senate deleted the Center for Administration of Justice

HUMAN
RIGHTS

COMMISSION

The Senate and the House figures for the Human Rights Commission concurred at \$125,500.

BOARDS &
COMMISSIONS

Sen. Ray noted that the main difference between the House and Senate figures for Boards and Commissions is that the Senate

allowed additional monies (100,000 general fund) for Arts and Humanities, contingent upon receipt of federal matching monies. However, he noted that the Administration has stated there is very little likelihood that this money will be received.

YOUTH IN
GOVERNMENT

The House did not fund this program. Mr. Fink asked if the Senate really wanted to fund this, and Sen. Ray explained that because the Senate passed the bill, the committee felt obligated to provide for it in their budget. The House members did not feel that the bill would pass the House.

CONTINGENCY The Senate figure for the Contingency Fund is \$150,000, as opposed to the House figure of \$250,000.

This completes the review of the Office of the Governor. Mr. Hohman noted that after reviewing the other budgets, the committee will return to make their decisions.

Recess: Meeting recessed at 5:15 p.m.

After Recess
5:20 p.m.

ADMINIS-
TRATION

Chairman Hohman called the meeting back to order. The Senate figure for Administration is \$13,284,500; the House figure is \$13,649,600; and the Governor's revised allowance is \$13,830,200. However, there have been some revisions in the Senate figures since the budget was printed.

DEPARTMENTAL
OPERATIONS

Office of Sen. Ray said that the readjusted figure for Office of the
Commissioner Commissioner is \$320,000. Reduction is due to general cuts in the various codes.

Personnel

The Senate figure for Personal Services in Personnel is \$591,200.

Code 100

This figure was arrived at by elimination of overtime and temporary employees, and reductions in vacancy and turnover.

Code 200 The Senate figure for Travel is \$15,000, a \$10,000 reduction.
Other cuts are all just general cuts, primarily to maintenance level.

Budget & Management
Budget
Services In the Division of Budget and Management, Budget Services, the Senate figures are:

Code 100 \$183,200 for Personal Services. (This is revised from the original Senate figure)

Code 200 \$3,100 for Travel.

Code 300 \$58,100 for Contractual Services. The \$100,000 Budget and Management Study was deleted.

Code 400 \$2,500 for Commodities.

Code 500 Ø for Equipment.

Code 900 \$3,800 for Inter-Agency Charges.

Central Services
Records
Services They left Central Services and Records Service at maintenance level figures.

Total The total for Budget and Management is \$403,100, as compared to the House figure of \$513,800 and the Governor's revised allowance of \$513,800. The major item of difference is the \$100,000 reduction for the Budget and Management Study.

Finance The revised Senate figure for Finance is \$474,800. Breakdown is as follows:

Code 100 Personal Services--\$437,300
Code 200 Travel--\$1,500
Code 300 Contractual Services--\$27,000
Code 400 Commodities--\$1,500
Code 500 Equipment--\$3,000
Code 900 Inter-Agency Charges--\$4,000.

Supply There are some slight adjustments in the Senate figures for Supply, in Central Mail Services, changing the total in the budget bill.

Central Supply The Senate figures for Central Supply are:

Code 100 Personal Services--\$391,600
 Code 200 Travel--\$10,000
 Code 300 Contractual Services--\$29,900
 Code 400 Commodities--\$5,800
 Code 500 Equipment--\$2,400
 Total Total--\$448,500

Central Mail The revised Senate figures for Central Mail Services are:

Code 100 Personal Services--\$59,000
 Code 200 Travel--\$34,600
 Code 300 Contractual Services--\$800
 Code 400 Commodities--\$700
 Code 500 Equipment--\$2,200.
 Total Total--\$97,300.

Central Duplicating The revised Senate figures for Central Duplicating are:

Code 100 Personal Services--\$72,800
 Code 200 Travel
 Code 300 Contractual Services--\$16,800
 Code 400 Commodities--\$71,600
 Code 500 Equipment
 Total Total--\$161,200

Total The revised Senate total for Division of Supply is \$707,000.

Data Processing Sen. Ray moved that the House figure of \$1,824,700 for Data Processing be accepted in lieu of the Senate figure of \$1,735,600. No objection, so ordered.

PIONEERS HOMES Sen. Ray noted that reductions made by the Senate in the Pioneers Homes are in Personal Services; the Senate did make allowance for the increase in guest allowances in the Sitka and Fairbanks Pioneer's Homes in Code 700, but left the Palmer Home at the Governor's request. Other differences between House and Senate figures for Administration are minimal, Sen. Ray observed.

Vacancy & Turnover There was discussion on the differences between the House and Senate handling of vacancy and turnover.

Adjourned: Meeting adjourned at 6:10 p.m.

FREE CONFERENCE COMMITTEE ON THE BUDGET
Friday, April 30, 1971
9:00 a.m.

Present: All members and Dick Freer from the Department of Administration. Prior to the opening of the meeting, Mr. La Roca appeared before the committee to protest the action of the committee in voting to hold the meetings in executive session. He proposed two alternatives: one, that the press be allowed in the meetings with the understanding that they were not to print anything until the free conference report was released, and two, that there be an arrangement whereby there would be a "pool" reporter--a single member of the press allowed to attend what might otherwise be a closed session.

Mr. Hohman said that the committee would have to go into executive session in order to discuss the proposals, and Mr. La Roca left the room.

Chairman Hohman called the meeting to order at 9:15 a.m. He asked if anyone wanted to respond to Mr. La Roca's proposals. Mr. Fink noted that he would prefer to have the press present, as did Mr. Warwick. Sen. Palmer felt that perhaps the second proposal had some merit and expressed a desire to discuss that one.

Recess: Sen. Ray asked for a recess.

After Recess
9:30 a.m.

Chairman Hohman called the meeting back to order. There being no further comment on Mr. La Roca's motion, the committee returned to their work on the budget. Chairman Hohman felt that they should discuss the different ways in which House and Senate have handled the vacancy and turnover question.

The Senate took Vacancy and Turnover out of the individual Personal Services codes throughout the budgets. The House, on the other hand, left the Personal Services figures intact, providing at the end of their budget bill for vacancy and turnover to be taken out on a percentage basis, percentages based on actual vacancy and turnover reported this year. This is to be administered by the Department of Administration, with departments allowed to come in with a supplemental should they need additional funds to fill positions they are able to fill.

There was lengthy discussion on the philosophies involved in these differing methods of handling vacancy and turnover, the one providing that should a department be able to fill all its positions, it would be able to do so (house version) and the other assuming their inability to do so, deleting the money (senate version). The suggestion was made that should the House's method be adopted, rather than having the departments request a supplemental, the monies could be put in a reserve account and the Department of Administration could determine whether the various departments needed the money to fill positions. The differences between the two finance committees are making it difficult to compare what the committees have done as far as their total budgets, and the remainder of time spent in committee during the morning session was spent unsuccessfully trying to come to some kind of determination as to how the vacancy question would be handled. Mr. Freer was asked to study the question and come up with some recommendations.

The committee finally recessed at 11:30 a.m.

After Recess
2:15 p.m.

Chairman Hohman called the meeting back to order.

The committee decided for the time to wait for their solution to the vacancy problem and return to discussion of the specific budgets.

DEPT. OF
LAW

The Senate allowance for the Dept. of Law is \$2,604,700; the House's figure is \$2,752,200; and the Governor's revised figure is \$2,780,600.

Admin.

Sen. Ray led the discussion on Dept. of Law budget, giving Senate figures, as they are lower.

Code 100

Senate figure for Personal Services in Administration is \$1,858,800. Reductions are in vacancy and turnover and salary adjustments.

Code 200

The Senate travel figure is \$46,000, which is the same level as last year's.

Code 300

Senate figure for Contractual Services is \$331,600, with \$130,000 for witness fees.

Code 400

Senate figure for Commodities is \$20,000, same as last year's level.

Code 500

Senate figure for Equipment is \$7,000, equipment for new positions being deleted.

Code 800

The Senate did not allow the \$50,000 request for the Cook Inlet Case in Miscellaneous. They did, however, provide for legislative intent that in the event the case does go to trial, a supplemental for an itemized list of expenses will be honored by the legislature.

Total

Senate total for Administration is \$2,282,700.

Reimburs-
ables

The Senate figure for Reimbursable Services is \$322,000 with \$6,900 taken out for vacancy and turnover.

DEPT. OF
REVENUE

Senate allowance for the Dept. of Revenue is \$3,081,500; House allowance is \$3,288,800 and the Governor's revised allowance is \$3,388,800.

Office of
Commissioner

Senate figure for Office of Commissioner is \$115,900, reduction due to general cuts.

Admin. Svcs.

Breakdown for the Senate's figure of \$372,300 for Administrative Services is as follows:

Code 100	\$324,700	Vacancy and turnover and deletion of overtime
200	7,500	
300	30,000	Same as last year's level
400	5,700	\$100 less than last year's
500	1,900	
900	2,500	

Collections

Senate figure for Collections is \$545,000, broken down as follows:

Code 100	\$452,200	\$7,900 Vacancy and turnover
200	12,300	
300	70,100	
400	4,000	
500	1,700	
900	4,700	

Audit

Senate figure for Audit is \$724,800, as compared with the House allowance of \$590,000. This is due to the addition of \$150,700 for six revenue field agents. It was explained that this increase was not added in code by code, as the committee felt should the FCC disprove the addition, it would be less complicated to withdraw it as a single line item.

Motor
Vehicles

Senate figure for Motor Vehicles is \$700,200. Other than general cuts, the reason for the difference between this figure and the House's \$824,900 is that the Senate cut \$100,000 out of Contractual Services by using license plate tabs rather than new plates for one more year.

Treasury

The Senate figure for Treasury is \$322,500, breakdown as follows:

Code 100	\$130,800	Deleted deputy commissioner and secretary The Governor has asked that these be reinstated.
Code 200	4,400	This is double last year's allowance

Code 300 \$180,600 Here the Senate deleted \$250,000 for a contingency fund. Mr. Fink noted that the House deleted \$150,000, but added \$50,000 back in for a mortgage loan officer.

Code 400 2,800
500 900 Equipment and Inter-Agency are the same as the
900 3,000 Governor's allowance.

Excise Tax Senate figure for Excise Tax is \$115,000, breakdown as follows:

Code 100 \$103,000 \$800 vacancy and \$950 reduction of benefits
200 5,800

The rest of the figures are the same as the Governor's allowance.

ABC Admin. & Enforcement The only difference between the Governor's allowance and the Senate figure in Administration and in Enforcement is in Vacancy and Turn-over.

ABC Board The Senate figure for ABC Board is \$25,400, the difference being the Senate's increase for ABC Board Travel.

Total The Senate total for ABC is \$185,800, as compared with \$171,100 allowed by the Governor and the House.

COURT SYSTEM Senator Ray noted that the Senate included the Judicial Council in their Court System budget, and that other than that, the Senate and House figures were not very far apart.

TOTAL After brief discussion, Senator Ray moved a total for the Court System of \$6,896,200, which is the House figures plus \$29,000 for the Judicial Council. No objection, so ordered.

EDUCATION The Senate total for Education is \$91,225,700, as compared with the House total of \$100,862,500, and the Governor's allowance of \$101,291,100. This is the largest single difference between the two budgets.

GENERAL ADMIN. Sen. Ray gave the following breakdowns for the Department of Education:

Board of Education The Senate figure for Board of Education is \$24,100, with the largest reduction in Travel - \$8,800. The Contractual figure is

\$3,300 and the remainder of the codes are the same as the Governor's revised figures.

Office of
Commissioner

Code 100	\$119,700
200	10,000
300	5,500
400	4,000
500	Ø
900	3,000
Total	\$142,200

Advisory
Commissions

Code 100	1,800
	30,000
	15,400
	200
	21,000
Total	\$68,400

Mr. Warwick asked why the Senate had reduced contractual services. Sen. Ray said that the annual dues to the Education Commission of the states (Governor's Compact) were deleted.

Scholarship
Loans

As this is an area of extreme difference, the committee decided not to discuss it at this time.

Planning &
Research

The Senate figure is \$203,700, which deletes state funding and leaves only the federal portion.

Staff Dev.

Senate, House and Governor all allowed \$10,000 for Staff Development.

Publications

Code 100	\$72,500
200	1,200
300	4,100
400	1,000
500	Ø
900	Ø

Total

Total for Publications is \$78,800, which is maintenance level, Sen. Ray said.

Educational
Broadcasting
Commission

Sen. Ray explained that the Senate took the Governor's figure for Educational Broadcast Commission and added \$50,000 for a radio station in Kotzebue.

ADM. SVCS.

Sen. Ray noted that the House and Senate figures for Administrative Services are very close, Senate figure being \$5,221,800 and the House figure, \$5,256,800. Senator Palmer moved that the Senate figure be accepted. Mr. Hohman objected.

Recess:

Meeting recessed at 3:40 p.m.

After Recess
3:50 p.m.

INSTRUC-
TIONAL
SVCS.

Senate figure for Instructional Services is \$616,300, reduction due to general cuts in all codes.

DISTRICT
SCHOOL
SUPPORT

Major differences between the House and Senate figures in District School Support are Pupil Transportation, Revenue Sharing and Debt Service.

Revenue
Sharing

Mr. Fink asked how the \$850,000 Senate figure for Revenue Sharing is justified. Sen. Ray said that last year the Revenue Sharing appropriation was just a "windfall" and that no school districts in the state have conditioned their budgets on receiving additional money for debt service. Mr. Fink disagreed, as did Senator Palmer, both of whom have received correspondence on the matter. Sen. Ray said that the money appropriated last year was simply a compromise between the House and Senate versions of the Foundation Program. Mr. Warwick noted the \$5,000 difference between the House and Senate figures for Juveniles in Detention, and asked what the Senate had cut out. Sen. Ray said the department had not felt it was needed, but he expressed willingness to accept the House figure.

Juveniles
in Deten-
tion

Foundation
Program

There was discussion on the Foundation Program. Here the Senate in its figure is including Pupil Transportation, only the state

schools being funded separately in Pupil Transportation. The House funded both in Pupil Transportation. Sen. Palmer objected along with the House to the Senate's way of handling this. No agreement was reached.

Sen. Ray moved that the House figure for Revenue Sharing and the Senate figure for Debt Service be adopted. Objection was heard and on vote the motion failed, 3-3.

REGIONAL &
BOARDING
SCHOOLS

Unable to agree on District School Support figures, the committee moved on to Regional and Boarding Schools.

Director's
Office

Sen. Ray gave the Senate figures for the Director's Office as:

Code 100	\$36,300	Based on reclassifications not going through, salary included.
Code 200	8,800	
300	2,500	
	400	
700	20,000	
900	10,000	

Total

Senate total for the Director's Office is \$258,000

Sen. Ray asked what the House did. Mr. Warwick said that they added to the Governor's figure due to additional testimony from Messrs. Thomas and Hartman that an increase will give them a chance to receive more Johnson O'Malley funds.

VOCATIONAL
EDUCATION

Sen. Ray said that the biggest difference in Vocational Education between the Senate total of \$3,165,200 and the House total of \$4,094,800 is in Grants and Community Colleges.

MDTA

The difference in MDTA between the House and Senate figures is in Vacancy and Turnover, \$6,000, Sen. Ray said.

Community
Colleges

Sen. Ray said that differences between the House figure of \$1,000,000 and the Senate figure of \$550,000 for Community Colleges are in Vacancy and Turnover, Travel and Grants, Claims and Shared Revenues.

Skill
Center

Sen. Palmer raised a question about the Skill Center--new positions.

Mr. Dean explained that the budget from the Department was incomplete in showing transferred positions from Department of Labor. There were 19 transferred positions, and the budget showed only 12. Therefore, additional monies need be added to the Senate figure, giving a total of \$1,022,300 for the Skill Center.

Library
Svcs.

Sen. Ray allowed a new position of Librarian in Fairbanks in Library Services. Total for Library Services allowed by the Senate is \$576,000.

STATE
OPERATED
SCHOOLS

Mr. Find moved to accept the House figure of \$30,811,200 for State Operated Schools. Objection was heard and on vote, motion failed.

Sen. Ray explained that the Senate allowed money for the Director/Supt. This position may get the same salary as a commissioner. The department had meant to request this.

Sen. Ray asked the House to go through the SOS budget and explain their figures. Mr. Fink began, and Sen. Ray interrupted to ask for code breakdowns and breakdowns of Vacancy and Turnover and overtime. Mr. Fink explained that the House broke out their overtime by department. There ensued a lengthy discussion again on the differences between House and Senate handling of Vacancy and Turnover and overtime.

Adjourned: When it became apparent that no progress was being made, the meeting adjourned at 6:10 p.m. to enable the staffs to prepare additional information.

FREE CONFERENCE COMMITTEE MEETING
Saturday, May 1, 1971
2:10 p.m.

Present: All members and Mr. Freer

Chairman Hohman called the meeting to order. A fifteen minute

Recess: recess was called.

After Recess
2:30 p.m.

Mr. Hohman called the meeting back to order. Another discussion on vacancy and turnover ensued. Mr. Hohman said that he felt the House method of dealing with vacancy and turnover had merit as it is based on actual vacancy. He discussed their system and said that he feels it needs a year in effect for them to be able to judge its effectiveness, but that it shows great promise. Mr. Fink, expressing his personal opinion only, said that he would be willing to give on the vacancy question, and wanted to express his feelings on where he was and wasn't willing to give, with the idea that perhaps the committee could start working out some acceptable compromises. He said that he felt strongly about the Department of Education \$10 million difference between the houses and felt unwilling to give on that; his feelings on the employee's pay increase are flexible--he feels that either the increase or overtime must be funded, however; he is flexible on the Governor's contingency fund, Youth and Government, and capital improvements. He does feel that the Division of Insurance, Transportation, Public Utilities Commission have to be increased. He felt willing to make cuts in University of Alaska, particularly Community Colleges, had no preferences on the Pipeline Impact Committee, was agreeable to the contractual services decrease in Motor Vehicles for license tabs rather than

plates, and was willing to accept whatever cuts in Health and Welfare could be justified. He was flexible on the Environmental Affairs Department.

Sen. Palmer asked if the vacancy question was going to be decided. Mr. Fink felt that there were several other major areas that could be worked on. Mr. Hohman felt Mr. Fink's ideas towards putting together a package were meritorious, but did feel some decision needed to be reached on vacancy and turnover. Several alternatives were discussed, such as accepting the Senate vacancy and turnover factor and the House Salary Increase percentage, various "package deals" were suggested, accepting certain House and certain Senate figures. However, the committee again reached an impasse. Sen. Ray asked for Mr. Freer's reaction to the vacancy question. Mr. Freer said that there were several good points in the House's method of handling vacancy and turnover, though there would be difficulties to the Department of Administration. However, in the final analysis, he felt that he would have to recommend the Senate approach of taking the vacancy and turnover out against the various programs. He felt that the House vacancy and turnover method being based on actual vacancies is likely somewhat high, as there were so many new positions created last year that it really may not be quite accurate as a standard. However, he cautioned that once a level of vacancy and turnover for a department is adopted, he doesn't feel that that should become a norm year after year. The department should be able to come in every year if their situation is changed and get a new vacancy figure. Mr. Warwick said he could see nothing wrong with the House approach. Sen. Ray said that he felt eventually this is the approach that will have to be used, but that it needs refinement, with the percentage for vacancy extending throughout

HEALTH &
WELFARE

the other codes.

There was a lengthy discussion on program budgeting.

The committee went on to the Department of Health and Welfare.

Looking at Administration and Public Welfare, Sen. Ray noted the principle differences are in Administration of the program, Comprehensive Planning, and General Relief Medical. Sen. Ray expressed negative sentiments about Comprehensive Planning functions. Mr. Fink said it is necessary in order to qualify for federal money. Sen. Ray moved a figure of \$23,650,000 for Public Welfare. After objection and brief discussion, with Messrs. Fink and Warwick expressing the feeling that if the Senate figure for General Relief Medical is accepted there will be a requested supplemental next year, Sen. Ray withdrew his motion.

Adjourned: Having deadlocked, the committee adjourned at 4:00 p.m. until Sunday at 2:00 p.m.

FREE CONFERENCE COMMITTEE MEETING
Sunday, May 2, 1971
2:15 p.m.

Present: All members.

Chairman Hohman called the meeting to order. Sen. Butrovich suggested that since the committee had been hung up on Health and Welfare yesterday, that they go on to another department; he proposed the Department of Labor.

LABOR

Sen. Ray noted the difference between the House and Senate figures for the Department of Labor, House figure being \$7,849,000 and Senate figure being \$7,629,200. The biggest differences are in Administration and Manpower Training, he said. The Senate deleted "Seed money". Testimony given the Senate was that this money was in anticipation of federal programs that might be enacted. When pressed for particulars, the Department was unable to say what programs these would be. When asked who would decide on these programs, the answer was the departments.

Mr. Fink moved a figure of \$7,750,000 for the Department of Labor. Sen. Ray objected. Mr. Warwick expressed that he didn't feel any of these department figures could be determined until such time as vacancy and turnover was decided on. Sen. Ray said that he felt compelled to go along with Mr. Freer who felt that the Senate method ought to be used this year. Mr. Fink said he was willing to tentatively agree to the Senate method. He felt that the salary increase, vacancy and turnover and overtime were all matters that have to be solved so that other work on the budget could be completed. Mr. Freer was asked about the overtime approaches. He said that until this fall, overtime was paid by some departments and not by others. He said that last fall personnel rules were changed, and