

**Call number: 01-79-04 PT. 2**

**Name: Executive branch – Thomas Morehouse, John Hellenthal, John Havelock, Andrew Warwick, Chancy Croft, John Borbridge**

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The recording starts mid-sentence with a man saying that the executive branch has remained fairly responsive. There's a tradition in rural Alaska about responsiveness of legislators and governors. The man has served on the policy review commission and has had the opportunity of talking with other Indian tribes who have worked with layers of government, but Alaskans have always felt that they should have direct access to their legislators and governor. That's probably because Alaska is a relatively small community.

“Occasionally, there is a concern when a group meets with a particular department, is the response representative of the actual policy of the chief executive.” The man concludes by saying that he feels a sense of optimism and appreciation for the extent of the nature of deliberations that went into constitution. He thinks that they are still working for statehood in ensuring its successful continuation. John and other delegates have given them a catalyst for doing the job. The speaker thanks Mr. Chairman.

[Unclear talking.]

1:42 Another man's voice Z says that he wants to ask a question that is unrelated to the board meeting. He says that as a constitutional convention, they didn't envision the domination of the finance committee of the legislation. They never envisioned that.

Critics say that legislation lasts too long, but the man says that that isn't the fault of the legislature but of the finance committee that waits until the last day to bring a bill that's full of trades and bargains while legislators are already anxious to go

home. Many people have criticized that, and the man doesn't think that putting duration on the session is going to cure the problem.

They have to do something to prevent the secret meetings of the finance committee who put out secret notes from the bills that are addressed to department heads. They blackmail people by threatening to withhold appropriations.

They are like a government within a government and something should be done about that.

3:27 Another man X says that the intent of the finance committee is available and in chamber at the time [unclear] when the budget was voted on. They started in 1975, and there's going to be litigation over the question of the legality and binding effect of legislative intent in order that there wouldn't be any procedural questions over whether [unclear].

The previous speaker Z says he wasn't talking about intent. The speaker X says that speaker Z was talking about secret intent and that there is no such a thing.

[Unclear cross talking.] A man says that the financial committee didn't wait until last minute but, in fact, in the last session of the legislature "we" asked the committee to not [unclear] for more than one week so that legislature could catch up with the financial committee. They did not.

The previous speaker X says that that was the first time it happened.

5:09 Another man says that the finance committee has held up the legislature only once and that time the [unclear] body failed to do something about it. The legislature has in its power to cope with the problem and usually it does. The myth that the finance committee is holding up the [unclear talking]. The previous speaker X says that it wasn't a myth during his four years. The current speaker says that during his four years it has been. One time the house simply chose not to do anything about the holdup. Past two years it hasn't been a problem and the finance committee was not the reason why the session was held up.

It's a complicated situation with over 2000 bills that are introduced, and when one is dealing with such vast quantity of bills, it takes lots of time. [Unclear cross talking.]

Moderator says that it's about the time for people in the audience to give thanks to the executive branch. [Laughter.]

6:49 A man comments that unicameralism will solve problems. Another man says that the system would be the California system where they meet as a whole every year and do nothing but appropriation bill and that does away with the trade of voting each other's bills. They should give it a thought in Alaska because Alaskans are suffering for the wheeling and dealing of the finance committee.

[Unclear question.] Jack Boswell introduces himself and says that he's a member of the executive committee. He says that one thing that somebody brought up was the election of the lieutenant governor. In their estimation, the main point was to make sure that he was of the same party as the governor. He could be a republican or a democrat so if he had to take over, everything would be [unclear].

Another man says that to the extent that was the concern, the constitutional provision would take care of that.

Yet another man says that there has been a significant decline in party governance in Alaska, and that there's a whole spectrum of political beliefs. Having somebody be in a same party doesn't guarantee similarities in political philosophy.

8:40 A man says that they have similar problems in Oregon.

A woman's voice says she has been watching the proliferation of advisory boards, commissions and others, and blaming the governor. It seems like it was an abdication of his executive responsibility. She's not sure if it's the legislature that sets them up, governor making the appointments.

She tells that when they started to write the executive article, they were conscious of the fact that under the territorial government, they couldn't do anything, so they had boards and commissions. Their hope was that with a strong executive, much of that would be eliminated and the governor would work through his cabinet members and they would take the place of all the boards and commissions.

10:10 A man says that there have certainly been examples of all the governors introducing legislation that would create a new board, and there's some of that done by legislature too. The speaker isn't sure if they can say that there's a pattern

of governors having been doing it or legislators having been doing it. He says that at least governors have.

That indicates some desire on the governor's part to try to share the authority, and the man thinks there's no question that there's been an increase in the number of advisory boards and the like in the past two years. To some extent, it's been a mistake from the governor to get into that area because setting the policy is, in theory, a legislative function. [Unclear talking.]

He thinks that the extent the governor has gone into policy questions is taking away from his executive qualities and administration of the laws that already exist.

11:46 A man's voice says that it's unfair to characterize "this administration" as being more reliant on boards and commissions than past administrations have been. When the speaker first started as [unclear] of administration, he counted the number of boards and commissions they had, and there were over 100 of them.

Governor Hammond has added a few boards and commissions, but they are in areas where he wanted more public input. He is less reliant on past boards and commissions and doesn't use them, but they are there by statute.

The speaker agrees with Senator [Leland Chancy?] Croft in that when one starts relying on advisor boards and commissions, one is relinquishing control one has on those areas. Sometimes it's good, sometimes bad, but the speaker feels that there are too many boards and commissions, and that the people at upper echelon should make more decisions than they currently do.

Governor has lots of "naked power" and lots of commissioners do too. The nature of political process gives lots of incentive for people such as the speaker to spread the responsibility. Officials have, in the past, spread that responsibility by asking a board or a commission for their advice on a subject. That has been the reason for the proliferation.

13:45 Another man comments that two preceding speakers have made important distinctions. They were talking about governing boards and there were 96 of them before statehood, which was deplorable. That was done away by constitution. There was only one limit to advisory boards, and that was that one had to have money to pay them.

Citizen input should be encouraged and there should be lots of governing boards. It's the governing boards that are evil and that should be prevented because they are a government within the government.

Setting the policy if the state is a matter of compromise but it is the exclusive legislative policy to set the policy of State of Alaska. Legislators are important but not that important. [Laughter.]

Eric Wolf introduces himself and says that the matter with advisory boards and commissions is their institutional floundering around for a solution in terms of the dynamic growth of the state. It's understandable that one would try a new institution such as the advisory board and find out what works and what doesn't. The speaker says that he hasn't found a pattern of any governor basing policy on a cause and effect basis from the commission. They have also seen a lot more reliance on academic research in the state government. That's also an attempt by the state government to come to grips with dynamic growth and development of Alaska.

16:08 [Unclear talking.] A man's voice says that he agrees with what has been said, and thinks that citizen input in advisory committees is a good thing. There's just a need for reassessment. Some of the boards are established by statute, and [there is] a joint effort that is perhaps led by the governor and the legislature to assess the necessity for continuation of some of the forums.

“The basic notion of providing them for the purpose of citizen input, even if in fact, because of their slowness, they may not necessarily contribute that much to the development of policy for short range objectives, I think they are very worthwhile.”

Another man's voice says that it might be useful to have [unclear] so that they would have a mandatory review of a board or commission.

Yet another man says that they don't have that problem in Alaska, at least to his knowledge. [Unclear talking.]

18:28 Frank Barr [?] introduces himself and says that he used to be a part of the executive committee, but is now one of the citizens. He wants to comment on several things from the perspective of his personal opinion.

Firstly, he's going to comment on parole boards. People have to remember that 20 years ago, people were sorry for criminals. The criminals were seen as people who had been brought up in underprivileged conditions. The public wanted to rehabilitate them in prisons and if they would show promise, the parole board would let them out.

Today, the pendulum has swung the other way and people are getting tired of harboring criminals. The criminal element has built up out of proportion to the other population. There are prisons all over United States and some of them have a country club atmosphere. The people who are sent there are entertained by government's expense. A person might commit a crime just to enter "one of these exclusive clubs."

20:14 The public is getting fed up. Every other day, Frank himself sees an newspaper article on some crime committed by a man on parole. Frank says that he thinks that the purpose of prisons is to eliminate criminals from the society in order to protect people from criminal activities. Rehabilitation should be saved for first time offenders who have a chance [of integrating to society]. They should be educated to society.

If second or third time offenders show that they intend to be criminals and continue being danger to society, they should be kept in prisons and off the streets.

Frank tells that in some larger cities, the situation is such that some apartment buildings have to hire their own guards, which is like going back to medieval society where people have to erect walls around their houses.

22:00 The cost of "this" was first the general public apathy and their sympathy for the criminal, lenient judges, and lenient parole boards.

John suggested eliminating parole boards but Frank isn't for that because he doesn't like changes that are being made to constitution. He thinks that the constitution is a statement of policy that should have a long-range effect and the legislature acts as its administrators to the state.

Parole board is what it is because of the members on it and the powers that are given to it by the legislature. They can be tough or lenient.

John also asked what an attorney general is, and Frank thinks that an average man doesn't know what an attorney general is. John suggests that an attorney general is some average lawyer who is put there because he couldn't do anything else. Frank has seen one or two of those attorney generals, but says that that's not what it should be. If attorney generals act as advisors to their governor, they should be unusual attorneys with intelligence and experience.

An elected attorney general might know very little law but be a good campaigner.

24:15 Another thing about the lieutenant governor is that they didn't provide for one because they thought that a strong executive shouldn't be hampered by an assistant who might be politically incompatible.

The speaker doesn't think that the lieutenant governor or the secretary of the state is necessarily a second-rate man. It was stated that perhaps a man ran for lieutenant governor because he didn't feel fit to be a governor or because he felt like he was second rate.

That's not necessarily so because when a man enters the field of politics, he usually starts from a lower office, runs for the house and then senate, and after the senate, he might be appointed to some important position below the governor and if he's unusually intelligent, he might become an attorney general. Attorney general usually has his eye on governorship and Frank would rather vote for a person who had taken all the steps in working himself up.

26:08 As John said, the attorney general might not have much experience as a lawyer but Frank doesn't necessarily believe in John's idea of making the attorney general purely a consultant for the governor. They have to have a trial lawyer to take care of the cases for the state. Rather than changing the constitution, Frank thinks that his office might be divided. He might have an assistant who is an expert trial lawyer and have him handle "those cases" while the attorney general himself renders the opinions to the governor.

Frank says that he's not a representative to the state and what he is saying is just his opinion. Although he's not Alaska resident, he's an Alaskan because being an Alaskan is a mindset. Frank thanks the audience.

Another man says comments on the rehabilitation of the prisoners "that keeps coming up all the time." The trend is to put everyone in jail and forget about them.

He thinks that rehabilitation is a worthy goal because nobody is born criminal and they get that way due to happenstance. He wouldn't change rehabilitation provision because it has a worthy purpose.

The people who end up in prisons are still humans who need to be treated with dignity. Most of them are drunks. There are lots of alcoholics "in this district" and nothing is being done about that.

29:29 Another man's voice suggests moving onto another subject because there is a lot to discuss.

Peter Bluett [sp?] from Anchorage Community College introduces himself and says that he has a question about the university of Alaska system for which he hasn't found an appropriate place [in the convention]. He says that the University of Alaska system is set up as a separate constitutional entity in the state constitution. It also calls for a creation of a board of regents which is appointed by the governor. They are supposed to govern the university system and give power to it.

That was done in 1950s before the concept of community colleges had started growing in United States. Community colleges provide education at the local level and that is what the community college movement has focused on.

The question is about the role and place of the board of regents and the university in the constitutional system. The question is if the board of regents has been able to effectively govern University of Alaska as it was intended to do. Secondly, in view of conflict between community college trust and university trust, Peter wonders if the board of regents has been able to cope with that and if not, what kinds of changes might be in order.

32:24 Peter suggests that the board of regents should be made into an operating board instead of them being a lay board. Perhaps that should be done in terms of a constitutional amendment.

A man asks what Peter means by operating board, and Peter explains that he means a governing board in a sense of a day-to-day working board in which members serve as full-time and are paid as full-time for being managers of the system.

[Unclear talking.]

Another man's voice says that it seems to him that the constitutional provisions that set out the university don't inhibit the legislature from adopting laws which establish a structure where the regents will [unclear]. [Unclear talking] started talking about Native and community colleges that have [unclear] and then say that maybe they would need a full-time board of regents for governing body.

[Unclear talking.] There's nothing in the constitution that would restrict full-time regents or providing for independent boards for specific institutions like community colleges that operate within the umbrella of regents.

Higher education should be managed some sort of unified [unclear] and the very minimum one needs to have is for board of regents to have referee authority to revolve the [unclear] issues between various institutions' [unclear]. Otherwise they might have [unclear] community college competing against a senior college by establishing same courses in the curriculum.

35:48 They have to have regents and the speaker thinks there's a wide allowance for the legislature to determine how the authority is going to be exercised. [Unclear cross talking.]

Peter clarifies that he wanted to know if the board of regents has been able to effectively govern. [Unclear talking.] One can't govern [a university] with a part-time board any more than a part-time fish and game board could manage fish and game. Management operates through executive authority and it would be a disaster to get rid of executive officers.

[Another man says something unclear.] As soon as the constitution was adopted, they interpreted it as if they were no longer under state control. In procurement, the university never follows the salary scales of the state but they do whatever they want while still being a part of the state of Alaska. Lots of the problems that "you" have had have occurred because "they" ignored the constitution. They also didn't do a good job in running a university. They hired two managers. [Unclear cross talking.]

38:05 Another man's voice says that he's a graduate of the university too, from 1929. He says that University of Alaska was established as a state university and constituted as body corporate that will have rights to property that is conveyed for

it. Its property is to be administered to according to law. That was to protect the use of their state.

Katherine Nordale introduces herself and says that she was a delegate. She tells that “this says that regents shall, in accordance with law, formulate policy and appoint the president of the university and he is the executive officer of the board.” She says that it’s not necessarily the board of regents that is upsetting community colleges. They set the policy and appoint their executive officer who does the work. As far as the system is concerned, UA was established as a land grant school when Alaska was a territory and naturally they had a board of regents like all land grant schools do.

Peter says that he was asking his question because of that, because the board is supposed to formulate policy. He complains that the regents didn’t give any [unclear, mention?] at all to community college policy in the state. Community colleges constitute the enormous majority of students and educational concerns in the state. Peter wanted to raise his question because he doesn’t think the board is doing what they are supposed to. [Cross talking.]

Catherine says that she doesn’t think there should be anything about community colleges in the constitution and a Peter says he agrees with her.

40:35 Peter clarifies that he meant having a lay board [unclear.] Andy Warwick says that structurally, the language of the constitution is ideal in stating that the university is run by a board of regents. They are subject to law, and it’s a fiasco to have a board run something.

Peter asks how Andy would feel about full-time board. The man thinks that that is ridiculous and the appropriate mechanism is to run it as a corporation with a board of directors. The board appoints the president and they have some voice over matters but they are generally limited to policy questions.

The man continues that community colleges are facing the natural problem that every community in Alaska wants a community college and there simply isn’t enough money to do that.

Another man says that the board of regents has lots of capable men. Another man’s voice adds: “And women.” The previous speaker says that the board appoints the president who shall be the executive officer of the board. [Unclear talking.]

42:22 A man's voice says that it's his perception that, to some extent, they've seen in the Constitutional Convention that the language of the constitution is the remedy to the problem. During past several years, they have gotten more and more substantive amendments to their state constitution. The one that's out now is properly budgeted and financed.

The question of the establishment of permanent fund is of extreme importance and it has institutional, legislative, and executive significance. They feel that budget making and finances are of paramount importance in many respects and it surprised the speaker that John said that the constitutional convention didn't realize that the finance committees would be as important as they are.

The man says that he sees a dynamic change in state government and wonders if the constitutional process might be the solution. Increasingly, a permanent fund should be looked at.

44:27 Another man's voice asks if he is advocating an amendment to the constitution and the previous speaker says it's on the ballot. [Unclear discussion.]

A man's voice says that there are three propositions on the ballot that have nothing to do with the authority [unclear]. [Unclear] restatement of the relationship between the executive and legislative branch on the disposal of land. The man says that he has his biases, and that there's a power grab by the legislature to inappropriately take over a piece of executive authority. He thinks that one result is to politicize [unclear]. The second issue is unicameralism that they should take a serious look into. There should be extensive studies about it and it has ramifications to the relationship between executive and legislative power. It would need more powerful legislature [unclear] executive authority that now exists. It has ramifications that can be good or bad.

46:12 The question of dedicated or permanent fund has implications for strong form of government. If they had a fund that was independently managed, his suggestion – considering the magnitude of dollars involved – would be that they are dividing the executive branch of the government and they are going to have another executive branch with managers accountable to [unclear] of that enormous dedicated fund. They will have a special power to disperse the benefits of that fund to [unclear] standards. The speaker wonders who is going to be the ultimate beneficiary of that appropriation process that is going to be dependent on the recipient being in the profit making mode. [Unclear.]

Another man says that the decision in management [unclear] is yet to be made by the legislature and it will be made by the legislature so the legislature will determine how the fund will be managed.

Yet another man says that the track record of managing the fund is abysmal.

A man's voice says that the important question is the management of the fund rather than the size of it because it will be with them for a long time. There's the question of whether they will spell out the management plan in the constitution or leave it to statutes and legislators. What one legislator does the next one can undo but when it's in the constitution, it has some enduring quality.

48:36 The speaker continues that they shouldn't proceed too rapidly with the concept of the permanent fund before questions about management are solved. Someone asks John Borbridge's opinion. [Unclear talking.]

John Borbridge tells that his concern is that there's a partial premise that they can anticipate receiving revenue that far exceeds that which they might use for management of their state government. He's not altogether certain that they have evaluated the full spectrum of concerns that they have as a state. He's concerned that they will slip into a situation in which they would be so bottom-line oriented that they would have to view the prudent use of the fund as [unclear] return to profit orientation.

As he has indicated, there are pressing needs in Alaska that they had addressed [unclear] in the past as being unable to meet them because they didn't have the financial resources to do so.

50:22 Assurance of equal quality education for all the citizens of the state is a basic proposition that they all endorse, except that when they start to price it out, they back away. They haven't established a clear policy in which they could state the level of services they want to provide within a certain time frame.

[Empty break in the recording from 50:07 to 52:06]

52:06 [The recording resumes mid-sentence.] A man's voice says that he's sure that Eric didn't mean 6.5% return when talking about prudent investment. In Alaska, they spend their money on people rather than on return for an investment. If they don't do that, they are failing the responsibilities they have for their fellow man. That isn't the bankers' problem.

Another man says that he doesn't think that the problem is how they are going to manage or utilize it but whether they should have it at all.

In [unclear] countries, developing a permanent fund is sort of like nationalization of profits and they should ask if that's an appropriate goal for state government. They could take a portion of the tax, use some of it, and save some of it. The role of government should be to tax the industry to provide services, but "what we are doing here" is that they are taxing the industry, using some of it for ongoing services and saving some for future services.

[Another man says something unclear.] The previous speaker clarifies that strictly speaking, they aren't talking about a tax but a royalty, although it resembles a tax.

[Unclear cross talking.]

54:17 Relationship of the permanent fund to the constitution and through that, to governor and the legislature still needs a great deal of discussion. Another man points out that they need a new legislature and a governor if the existing ones don't know how to manage the funds of the state.

The previous speaker says that he agrees but he thinks that it needs real analysis, since they are talking about carving out from a public fisc [?] 25% in royalties in mineral income. That's something to examine. At some point, the process must [unclear] 5<sup>th</sup> possible estate, the managers of the fund, should the legislature decide on that sort of configuration.

A man's voice says that the reason for why some parts of the Alaska population have to deal with the terms of use is simply because there are needs that haven't been met. If the emphasis of state government had been on long range planning, the electorate could at least be brought to the point [unclear] where long range implications, as to where the state is going, assume more importance.

56:40 They think that the wise thing to do would be to determine where they are going to go after the fund starts coming in, and the speaker isn't arguing against the fund. They need to get the fund rolling, after which the real battle will be how they are going to use the money if it becomes a target. The people who are looking things from the outside think that they have to "develop one to the legislature, one for the permanent fund." The speaker agrees that the implications on how it's going to relate to the existing institutions is an all-important one. [Unclear talking and discussion.]

Another man says that he'd like to direct the question to the panelists of whether the trust for the permanent fund could be seen as public's reaction to the failure on the part of the governor's office to set up anything like a coherent planning operation.

Another man says that public's reaction to the permanent fund is a direct result of the legislature's ability to spend money, specifically the \$900 million dollars. It was suddenly gone and people were wondering what they had gotten for the money. They don't want that to happen to the oil and gas revenues that will be coming in. [Unclear talking and discussion.]

59:18 A man's voice X says they got a bunch of bankers and lost \$500 million in three months and they all dipped into it and took [unclear]. If they spend it on needs of human race in Alaska, that's the best investment they could make.

Another man Y says that Mr. Warwick seems to be against the permanent fund and questions how he would handle his personal finances. If would receive an unexpected \$1,000 or more, would he put a part of it aside for a rainy day or would he bring his standard of living up.

A speaker X says he differentiates between the role of government and that of an individual. Role of the individual is to try to [unclear] but that's not the role of government. Government's role is to tax people and provide services, not to put away money for a rainy day. [Unclear cross talking.]

The speaker Y says that if they provide human services, the people will get used to them. The more the man makes, the more services are essential to him. They have lots of conveniences and services now that they couldn't have imagined a while back. People appreciate it but there's no end to it [to increasing services] if there's no end to income.

Fairbanks follows a boom-bust cycle. There has been a boom, and if the gasline is built, they are at the tail end of a boom cycle now. The speaker says that if things go according to a past history, there will be a bust and that could be a statewide one. The speaker says he's an optimist and doesn't think the bust is going to be as bad as it has been in the past, but he thinks they should provide for the future by putting some [money] aside.

1:02:04 Another man X [?] says that the wealth is going to increase in subsequent generations because the people now are wealthier in terms of access to material goods than their forefathers. The previous speaker Y says that nobody is advocating spending everything. They could have some reserves but they shouldn't be "in a tin can." The money should be sensibly spent in improving the quality of life of people. [Unclear discussion.]

A man's voice Y [?] says that there were news of a wealthy woman who had died of starvation and that situation could be related to the state of Alaska. Another man

Z says that that [starvation] happened because of the woman's state of mind and that the state of mind of people in Alaska is very similar.

1:04:00 Speaker Z says that one can see in Anchorage and in Fairbanks how legislature spends money regardless of what [unfinished thought.] People in Juneau spend money on “virtually anything.” In some other areas [of the state?], people are not as affluent.

[Unclear talking.] John Havelock [?] says he wants to point out that they are talking about an amendment to the constitution that will repeal a fine provision that prohibits dedicated funds. The purpose of that provision was to avoid time [unclear] in hands of legislature as to the purpose on which funds would be extended.

There is nothing in the law now that prohibits the legislature from appropriating capital annually to a development bank. That is to make sure that there's no flexibility for the legislature to determine a wide range of social and private needs that are curtailed by the amendment that determines [unclear].

1:06:47 A man's voice asks who is going to pick the elite managers. [Unclear talking.]

The moderator thanks the audience.

[End of the recording.]