

SENATE JOURNAL SUPPLEMENT

April 18, 1986

FRIDAY

No. 69

FISCAL NOTE

CSSB
377
(JUD)

REQUEST

Bill/Resolution No. : CSSB 377 (Jud)
 Title : An Act Relating to Tort Reform
 Sponsor : _____
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : Alaska Court System
 BRU : Trial Courts
 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		80.7	80.7	80.7	80.7	80.7
TRAVEL		6.2	6.2	6.2	6.2	6.2
CONTRACTUAL		797.4	797.4	797.4	797.4	797.4
SUPPLIES		1.0	1.0	1.0	1.0	1.0
EQUIPMENT		6.7				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		892.0	885.3	885.3	885.3	885.3

CAPITAL						
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REVENUE						
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FUNDING : (Thousands of Dollars)

GENERAL FUND		892.0	885.3	885.3	885.3	885.3
FEDERAL FUNDS						
OTHER						
TOTAL		892.0	885.3	885.3	885.3	885.3

POSITIONS :

FULL-TIME		2	2	2	2	2
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by : Karla Forsythe/Robert G. Fisher Phone : 264-8215
 Division : Alaska Court System Date : 4/9/85

Approved by Commissioner : Arthur H. Snowden, II *AHS II* Date : 4/9/85
 Agency : Alaska Court System

This legislation impacts the court system in two areas: expanded judicial workload and mandatory arbitration.

Expanded Judicial Workload

The presiding judge for the third judicial district anticipates that new procedures incorporated in this bill (such as hearings to determine whether defendants who have defaulted on periodic payments should be held in contempt and the amount of related damages which should be assessed) will increase the court's workload by 20% for each trial. This estimate also includes judge time expended on additional litigation which will result from attempts to transfer proportional liability to persons who have signed releases before trial, and litigation to resolve interpretation questions with the legislation. Also, more cases will go to trial because of diminished incentives to settle resulting from restrictions on the award of Civil Rule 82 Attorneys Fees.

It is anticipated that the increased workload could be handled statewide by funding the equivalent of a pro tem judge. Pro tem funding is less costly than funding new judge positions because salary and benefits for retired pro tem judges are significantly lower. Additionally, since these judges are not permanently assigned to one court location, normal space and staffing requirements are avoided.

The provisions of this legislation which establish new procedures for the court come into play only when a case goes to trial. According to figures provided by the Anchorage trial court, approximately 5% of the cases filed go to trial, resulting in 105 personal injury trials statewide.

It is estimated that a personal injury trial averages two weeks. The total number of personal injury trials multiplied by two weeks of a judge's time

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total 210 judge weeks.

The estimated 20% additional judicial workload attributable to these expanded proceedings totals 42 judge weeks. Since a standard judicial work year averages 40 work weeks (excluding holidays, vacation and training), it is estimated that one judge would be required to process the additional statewide workload.

In order to avoid duplicative hearings, the court system favors binding arbitration rather than the option of de novo court trials. In the event that this legislation is not amended to provide for binding arbitration, the court system assumes for purposes of this fiscal note that the court would be required to bear the cost of arbitrators for those parties who are unable to afford this expense. It is estimated that 1341 personal injury cases statewide would be subject to the mandatory arbitration provision because they fall under \$100,000. It is assumed that a third of the parties will not be able to afford the expenses of arbitrators. Thus, the court system will be required to bear these expenses in 443 cases.

Assuming an arbitration lasting 12 hours and an estimated average hourly compensation rate for the arbitrator of \$150, the cost of an arbitration totals \$1,800. The estimated total cost of an arbitrator for all cases under \$100,000 is \$797,400. Additionally, the court system assumes that for parties in outlying rural areas who are unable to afford the costs of arbitrators, it will be less costly to fly these persons to central urban areas rather than to fly arbitrators to the outlying areas and pay for their room and board. The additional air fare and per diem costs total \$6,155. Based on these assumptions, the total costs of mandatory arbitration is \$803,555.

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Schedule #2

ALASKA COURT SYSTEM

ESTIMATION OF JUDICIAL RESOURCES
NEEDED TO PROCESS INCREASED WORKLOAD

CSSB 377 (L & C) - TORT REFORM

	Anchorage	Rest of State	Total
Number of civil damage cases (a)	1,458	638	2,096
Estimated percentage of cases going to trial	5%	5%	5%
Estimated number of trials	73	32	105
Estimated length of trial in weeks	2	2	2
Estimated judicial time in weeks	146	64	210
Estimated workload increase from legislation	20%	20%	20%
Estimated additional judicial workload in weeks	29	13	42
Estimated average number of work- weeks in judicial year (b)	40	40	40
Estimated number of judges needed to process additional workload	0.73	0.33	1.05

Notes:

- (a) Based on FY 85 case filings. All civil damage case filings assumed to be personal injury cases.
- (b) Estimated number of work-weeks, net of holidays, vacation and training.

Schedule #3

CSSB
377
(JUD)

ALASKA COURT SYSTEM

ESTIMATED FISCAL IMPACT OF MANDATORY ARBITRATION

CSSB 377 (L & C) - TORT REFORM

	Anchorage	Rest of State	Total
Number of civil damage cases (a)	1,458	638	2,096
Estimated percentage of cases under \$100,000	64%	64%	64%
Estimated number of cases under \$100,000	933	408	1,341
Estimated percentage of indigent parties	33%	33%	33%
Estimated number of cases involving indigent parties	308	135	443
Estimated average length of arbitration hearing in hours	12	12	12
Estimate average hourly rate of arbitrator	\$150	\$150	\$150
Estimated average cost of each case	\$1,800	\$1,800	\$1,800
Estimated total cost of arbitrators	\$554,400	\$243,000	\$797,400
Estimated travel cost for indigent parties living in bush areas. (See Schedule #4)	\$0	\$6,155	\$6,155
Estimated total cost of mandatory arbitration	\$554,400	\$249,155	\$803,555

Notes:

- (a) Based on FY 85 case filings. All civil damage case filings assumed to be personal injury cases.

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No. 69

CSSB 467 (C&RA)

REQUEST

Bill/Resolution No. : CSSB 467 (C&RA)

Title : Operation of Campgrounds

Sponsor : Senate C&RA Committee

Requestor : Senate C&RA Committee

Date of Request : 4/17/86

FISCAL DETAIL

Agency Affected : Natural Resources

BRU : Parks and Recreation Manage

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		33.6	33.6	22.4	22.4	22.4
TRAVEL		2.0	2.0	-0-	-0-	-0-
CONTRACTUAL		-0-	-0-	-0-	-0-	-0-
SUPPLIES		-0-	-0-	-0-	-0-	-0-
EQUIPMENT		-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	35.6	35.6	22.4	22.4	22.4
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING : (Thousands of Dollars)

GENERAL FUND		35.6	35.6	22.4	22.4	22.4
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	35.6	35.6	22.4	22.4	22.4

POSITIONS :

FULL-TIME	-0-	1	1	1	1	1
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

The department would need a Natural Resources Technician to help prepare and administer requests for proposals, contracts, and processing of revenues related to private operation of selected state campgrounds. The position would be full time for the first two years, and become seasonal thereafter. The department can realize an overall savings in contractual, and commodities expenditures.

Concessionaires would be required to reinvest a percentage of profit into the campground. This program will succeed only with close supervision by staff of tightly written contracts for campground operation. Supervision can be relaxed as concessionaires become established and routinely adhere to contract performance standards and stipulations. The savings realized by this program will grow each year, as additional campgrounds are contracted to the private sector for management. The department could forego the modest revenues available from the concessionaire during the first few years of operations if the money were used to enhance visitor services and the capital value of the campground.

Operational Savings Under This Program:

	FY 87	FY 88	FY 89	FY 90	FY 91
Contractual	30.0	35.0	40.0	45.0	50.0
Commodities	10.0	15.0	15.0	20.0	20.0
Total	40.0	50.0	55.0	65.0	70.0

Prepared by : SGS MOURANT
 Division : Division of Management

Phone : 465-2424
 Date : 4/17/86

Approved by Commissioner : Thomas D. Arnold, Jr.
 Agency : Natural Resources

Date : 4/17/86