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528 W. 5TH, SUITE [illegible]
ANCHORAGE, AK. 99501
[POUCH V, JUNEAU, AK. 99811]
(907) 465-3873

[illegible] PERKINS
REP. BILL MILES
REP. LEO SCHAEFFER
REP. RICK URION

House of Representatives

August 24, 1977

To all committee members

The Honorable Richard Urion
4222 Pinnacle Circle
Anchorage, AK 99504

Dear Representative Urion:

Enclosed please find the Committee's revised meeting schedule. Details on those meetings without specific times and locations will be forthcoming shortly.

Sincerely,

Mike Doogan

Mike Doogan
Administrative Assistant

Enclosure

August 24, 1977

The Honorable Hugh Malone
Speaker of the House
Legislative Information Office
1026 West 6th
Anchorage, AK 99501

Dear Mr. Speaker:

Enclosed please find a copy of the Committee's revised schedule.

Sincerely,

Mike Doogan

Mike Doogan
Administrative Assistant

Enclosure

Alaska State Legislature

SPECIAL COMMITTEE ON
THE ALASKA PERMANENT FUND
(907) 276-3433
528 W. 5TH, SUITE 270
ANCHORAGE, AK. 99501
[POUCH V, JUNEAU, AK. 99811]
(907) 465-3873

MEMBERS
REP. CLARK GRUENING, CHMN.
REP. TERRY GARDINER, V. CHMN.
REP. E. J. HAUGEN
REP. RUSS MEEKINS
REP. BILL MILES
REP. LEO SCHAEFFER
REP. RICK URION

House of Representatives

Sent to all
on circulation
list - thanks

October 4, 1977

Jim Rhode
House Finance Committee
528 West Fifth
Anchorage, AK 99501

Dear Jim:

Enclosed is an updated Committee meeting schedule. Please note that the dates of the Juneau meeting and the November Anchorage meeting have been changed from those on the previous schedule.

If you have any questions, please do not hesitate to get in touch with this office.

Sincerely,

Mike

Mike Doogan
Administrative Assistant

Enclosure

Alaska State Legislature

SPECIAL COMMITTEE ON
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REP. BILL MILES
REP. LEO SCHAEFFER
REP. RICK URION

House of Representatives

To all committee members

October 11, 1977

The Honorable Terry Gardiner
Box 6092
Ketchikan, AK 99901

Dear Terry:

The Chairman has instructed me to remind you of the Committee's upcoming meeting in Juneau. The particulars of that meeting are:

October 20
Public Hearing
9:00 a.m. to 5:00 p.m.
Fifth Floor Conference Room
Alaska Office Building

October 21
Committee Meeting
9:00 a.m. to 4:00 p.m.
Conference Room 123
Capital Building

At the meeting, we hope to go over discussion drafts of bills structuring the Permanent Fund and hear from a number of consultants. If the public hearing does not take up its allotted time, the Committee meeting may begin on October 20.

If there is anything this office can do to assist with your travel arrangements, please do not hesitate to call either myself or LouAnn Diamond.

Sincerely,

Mike

Mike Doogan
Administrative Assistant

MD:LAD

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT.

Alaska State Legislature

House

JUNEAU, ALASKA

November 17, 1977

The Honorable Clark Gruening
528 W. 5th Avenue
Anchorage, AK 99501

Dear Rep. Gruening,

The Interim Committee on State Affairs is planning a multi-topic public hearing for December 13, 1977 at 7:00 p.m. in the Anchorage Historical Fine Arts Museum located at 121 West 7th Avenue, Anchorage.

The hearing will be divided into four topical segments. Part I will feature Mort Hoppenfeld, the Executive Director of the Capital Site Planning Commission who will deliver a pre-session progress report to all interested legislators and the public.

Part II will involve Mike Bradner and House Bills 49, 173 (Acts relating to the number of state employees in state government) and 471 (An Act relating to the decentralization of state government). Mr. Bradner, who is performing a governmental size and structure analysis for the Interim Committee on State Affairs which includes an analysis of the aforementioned House Bills, will describe in some detail the project he has undertaken and progress to date. In addition, several members of the University of Alaska faculty will be available for comment.

Part III will facilitate an open discussion of HJR 3 (Requesting the Secretary of the Department of Transportation to transfer Southeast Alaska from the Pacific Standard Time Zone to the Yukon Standard Time Zone), HB 411 (An Act providing grants for championship dog mushing contests; and providing for an effective date), HB 412 (An Act making a special appropriation to the Department of Revenue; and providing for an effective date) and HB 512 (An Act relating to the competitive bidding under the Fiscal Procedures Act).

H 10

Finally we have asked Commissioner Don Harris or his designee to brief us about developments in the new Department of Transportation and to share with us the Administration's position regarding the use and development of the North Slope Haul Road.

This is an ambitious agenda and you should be prepared for a long evening which could last 3 hours or more. From our experience with Legislative public hearings this appears to be the most efficient way to guarantee maximum attendance and participation in the process. I hope you will attend. This is your final interim opportunity to participate in discussion concerning a variety of crucial state government issues; some of which will likely receive careful legislative attention this session.

Please let us know by December 1, 1977 if you can make it. I look forward to hearing from you.

Sincerely,

David Rogers
Counsel to the Comm.
on State Affairs

DR/ts

Introduced: 1/13/77
Referred: State Affairs and Judiciary

IN THE HOUSE

BY BRADLEY, GARDINER, GRUENING, MILES AND PARR

HOUSE BILL NO. 49

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the number of state employees; and providing for an effective date."

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

* Section 1. PURPOSE. The legislature determines that the government of the State of Alaska, while not yet so large as state and municipal governments in other parts of the United States, is growing too large too quickly, and disproportionately to the resources of the state. Accordingly, the legislature concludes that it must seek more effective measures for the control of the size of the Alaska state government. While it will continue to control the size of state government through the exercise of its constitutional responsibilities to authorize programs and appropriate to those programs, it intends also to maintain control over the actual number of employees working for the state.

* Sec. 2. STATE EMPLOYMENT CONTROL COMMISSION ESTABLISHED. There is created in the Office of the Governor a temporary Commission on State Employment Control.

* Sec. 3. COMPOSITION OF THE COMMISSION. The commission is composed of nine members appointed by the governor, subject to legislative confirmation, without regard to political affiliation and representative of the different geographic areas of the state in the proportion that state employees reside in that geographic area.

* Sec. 4. DUTIES AND TERM OF THE COMMISSION. The commission shall meet promptly after its establishment, and within 90 days the commission shall make recommendations to the legislature which, if adopted, will effect a

12 per cent reduction in the number of state employees. The commission is dissolved 30 days after the date of its recommendations to the legislature or on the 90th day after its establishment, whichever occurs first.

* Sec. 5. EXPENSES. Members of the commission receive no compensation but are entitled to the travel expenses and per diem authorized for members of boards and commissions.

* Sec. 6. STAFF. The Office of the Governor shall provide staff services to the commission during its existence.

* Sec. 7. IMPLEMENTATION OF THE COMMISSION'S RECOMMENDATIONS. The Second Session of the Tenth State Legislature will, within 30 days after it meets, by a roll call vote, either (1) enact legislation, implementing the commission's recommendations or (2) enact legislation implementing alternate plans which will achieve the same goal.

* Sec. 8. EFFECTIVE DATE. This Act takes effect immediately in accordance with AS 01.10.070(c).

Introduced: 2/4/77
Referred: State Affairs and Finance

BY DANKWORTH, BEIRNE, BENNETT, CARPENTER, FREEMAN, HAUGEN, HAYES, LETHIN, MILES, NAKAK, PHILLIPS, RHODE, SCHAEFFER AND URION

IN THE HOUSE

HOUSE BILL NO. 173

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to limiting state employment; and providing for an effective date."

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

* Section 1. AS 37 is amended by adding a new chapter to read:

CHAPTER 8. LIMITATION ON STATE EMPLOYMENT.

Sec. 37.08.010. STATE POLICY. The legislature hereby determines that the number of state employees should not grow faster than the population of the state itself. Accordingly, the legislature intends by this chapter to establish a mechanism by which the number of state employees may be limited and bear a measurable relationship to the population of Alaska.

Sec. 37.08.020. LIMITATION ESTABLISHED. The number of employees employed in the state government shall not exceed three per cent of the population of the state.

Sec. 37.08.030. ALLOCATION. The annual budget adopted by the legislature shall allocate the number of employees among the branches of government.

Sec. 37.08.040. TRANSITION PERIOD. The governor shall establish and implement procedures which will attain a level of state employment within the limitation established in sec. 20 of this chapter no later than July 1, 1982.

Sec. 37.08.050. POPULATION DETERMINATION. Not later than January 1 of each year, the governor shall investigate and publish his determination of the population of the state as of the most recent

July 1. In preparing his determination, he may use the latest figures of the United States Bureau of the Census or other data determined by him to be reliable.

Sec. 37.08.060. EMPLOYEES. For the purposes of this chapter, "employee" means a person who receives remuneration for permanent full-time or permanent part-time personal services regularly rendered to the executive, legislative, and judicial branches, expressed in terms of full-time equivalents. "Employee" does not means individuals temporarily employed or employed during an emergency declared by the governor.

* Sec. 2. This Act takes effect July 1, 1977.

Introduced: 4/14/77
Referred: State Affairs and Finance

IN THE HOUSE BY PARR, BRADLEY AND LETHIN

HOUSE BILL NO. 471

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the decentralization of the executive branch of the state government; and providing for an effective date."

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

* Section 1. AS 44 is amended by adding a new chapter to read:

CHAPTER 7. DECENTRALIZATION OF EXECUTIVE BRANCH.

Sec. 44.07.010. LEGISLATIVE FINDINGS. The legislature finds that there is a growing tendency to centralize decision making at the top levels of the principal executive departments, that such centralization results in increased numbers of intermediaries between commissioners and the state officers and employees who directly render services to the public, that this results in inefficient, time-consuming, expensive, and often unnecessary review and approval procedures and discourages the use of initiative by state officers and employees. The legislature further finds that centralization results in an overly-large number of state officers and employees in the state capital and a corresponding insufficiency at the regional, district and local offices where services are directly rendered to the public. The legislature finds it necessary and in the public interest to mandate a decentralization of decision-making authority to regional, district and local offices and to limit the number of state officers and employees in the headquarters offices in the state capital.

Sec. 44.07.020. EFFECTIVE DATE OF DECENTRALIZATION. After June 30, 1981 no more than 15 per cent of the total number of state employees

may be employed in the headquarters offices of the principal executive departments in the state capital.

Sec. 44.07.030. DETERMINATION BY THE GOVERNOR. Within 180 days of the effective date of this chapter the governor shall prescribe, for each department of the executive branch, the number of employees who may be employed in the state capital.. The governor may from time to time amend this directive.

Sec. 44.07.040. DEPARTMENTAL PLANS. (a) Each department shall prepare a plan for the phased decentralization of its activities to meet the ceiling imposed by the governor. Each plan shall include:

(1) the location of each regional, district, or local office now established or to be established;

(2) the scope of authority of the state officer or employee in charge of the office;

(3) the scope of the decision-making authority reserved to the commissioner or his immediate subordinates in the state capital; and

(4) recommendations for legislation needed to carry out the provisions of this chapter.

(b) Plans required under (a) of this section shall be submitted to the First Session, Eleventh Legislature, no later than 10 days after it convenes.

Sec. 44.07.050. REPORT BY THE GOVERNOR. The budget submitted by the governor for fiscal year 1980 and fiscal year 1981 shall be accompanied by a report of the progress made in implementing this chapter.

Sec. 44.07.060. BUDGET PREPARATION. No budget for 1982 or succeeding fiscal years may propose to employ more than 15 per cent of the total number of state employees in the principal executive departments in the state capital.

Sec. 44.07.070. REGIONAL, DISTRICT OR LOCAL OFFICES IN THE STATE

CAPITAL. Nothing in this chapter shall prohibit the establishment of a regional, district or local office of a principal executive department in the state capital if there is a clear functional division between it and the headquarters office. Employees in the regional, district or local office shall not be counted against the ceiling prescribed by the governor under sec. 30 of this chapter.

Sec. 44.07.080. EXCLUSION OF DEPARTMENTS. Departments of the executive branch which on the effective date of this chapter have their headquarters offices located in a city other than the state capital are excluded from the computation of total number of state employees under sec. 30 of this chapter.

Sec. 44.07.090. INCLUSION OF DIVISIONS. Divisions which on the effective date of this chapter are located in a city other than the state capital shall be included in departmental plans for phased decentralization of activities required by sec. 40 of this chapter.

* Sec. 2. This Act takes effect July 1, 1977.

IN THE HOUSE BY PHILLIPS

HOUSE JOINT RESOLUTION NO. 3

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

Requesting the Secretary of the Department of Transportation to transfer Southeast Alaska from the Pacific Standard Time Zone to the Yukon Standard Time Zone.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS, alone among the 50 states, Alaska spans four time zones; there is a three-hour time differential between Ketchikan and Nome; and

WHEREAS, historically, the location of Southeast Alaska in the Pacific Standard Time Zone stems from territorial days when Southeastern's orientation -- commerce and finance, transportation, government, and other social and economic contacts -- was primarily with Seattle; and

WHEREAS from the standpoint of geography most of Southeast Alaska actually is located between or adjacent to those meridians of longitude west of Greenwich designated as the Yukon Standard Time Zone rather than in those designated as the Pacific Standard Time Zone; and

WHEREAS Southeastern's present locus in the westernmost and northernmost segment of the Pacific Standard Time Zone distorts the time for sunrise and sunset the year around by comparison to other areas within the same time zone; and

WHEREAS the present two-hour time differential between Southeast Alaska and Anchorage, Fairbanks, and the communities of the Kenai Peninsula and Prince William Sound creates confusion and difficulty in achieving and maintaining sound commercial, efficient governmental, and satisfying personal communications; and

WHEREAS the elimination of this time differential between the existing

state capital and the centers of finance, trade and commerce and the future state capital in Southcentral and Interior Alaska would resolve one of Alaska's most compelling needs: the elimination of artificial barriers that impair efforts to improve communications, thus welding together the widely scattered population centers of this vast and varied state and bringing state government closer to all the people of Alaska; and

WHEREAS, if those portions of the state most closely related by trade and commerce were all placed on the time schedule presently named the Yukon Standard Time Zone, the inconvenience and disruption of the change would be minimized; and

WHEREAS "with due regard to the convenience of commerce and the junction and division points of common carriers engaged in interstate and foreign commerce," the transfer of all those portions of the state outside the Bering Time Zone into one time zone would foster "adherence to a greater uniformity of time" within the State of Alaska and place southeasterners on the same time schedule by which most Alaskans go about their daily lives, neither inconveniencing the traveler, the transportation industry, nor other commercial enterprise with important connections both in Alaska and the "lower 48"; and

WHEREAS federal law (15 U.S.C. secs. 260-267; 49 U.S.C. sec. 1655(e)(5)) regulates the time on which all federal offices and common carriers engaged in interstate and foreign commerce operate and grants to the United States Secretary of Transportation the authority to redefine the boundaries of time zones that serve the entire United States;

BE IT RESOLVED that the Alaska State Legislature requests the Secretary of the Department of Transportation to redefine the boundaries of the Yukon Standard Time Zone in such a manner that all those portions of the state outside the Bering Time Zone are shifted into it at the earliest date possible; and be it

FURTHER RESOLVED that the Secretary of Transportation is requested to rename the newly created zone the Alaska Standard Time Zone.

COPIES of this resolution shall be sent to the Secretary of the Department of Transportation; and to the Honorable Ted Stevens and the Honorable Mike Gravel, U. S. Senators, and the Honorable Don Young, U. S. Representative, members of the Alaska delegation in Congress.

Introduced: 3/30/77
Referred: State Affairs and Finance

BY COTTEN, BRADLEY, MCKINNON, AKERS, BROWN, MALONE, NAKAK AND SWANSON

IN THE HOUSE

HOUSE BILL NO. 411

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act providing grants for championship dog mushing contests; and providing for an effective date."

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

* Section 1. AS 05.15 is amended by adding a new section to read:

ARTICLE 2A. CHAMPIONSHIP DOG MUSHING.

Sec. 05.15.185. STATE AID TO CHAMPIONSHIP DOG MUSHING CONTESTS. (a) The state may grant aid to associations sponsoring championship dog mushing contests under this section.

(b) Associations organized for the planning and operation of a championship dog mushing contest shall be considered eligible for aid not to exceed $20,000 if the contest has been in existence for at least three years, is open to entry by any person, and has been certified and approved by the Alaska Dog Mushers Association.

(c) An association seeking aid under this section for a championship dog mushing contest shall apply to the commissioner at least three months before the scheduled contest date. It shall submit with the application a planned program of operation of the proposed dog mushing contest, the rules and regulations governing the contest, and a certificate signed by the president and secretary of the association certifying that the association guarantees that a sum of money at least two times as large as the amount of aid received under this section will be dedicated to the awarding of prizes. If the commissioner determines that the association is entitled to state aid under this section and that funds are available for that purpose, he shall have a warrant

drawn in favor of the association in the sum to which it is entitled.

(d) An association receiving state aid under this section which fails to hold the dog mushing contest in accordance with its program, or does not comply with the regulations adopted by the commissioner, shall return the funds to the department within five days after notification by the commissioner. If an association fails to comply with this subsection, the attorney general shall institute proceedings to recover the funds.

* Sec. 2. This Act takes effect July 1, 1977.

Introduced: 3/30/77
Referred: State Affairs and Finance

IN THE HOUSE

BY COTTEN, BRADLEY, MCKINNON, MALONE AND SWANSON

HOUSE BILL NO. 412

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the Department of Revenue; and providing for an effective date."

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

* Section 1. The sum of $80,000 is appropriated from the general fund to the Department of Revenue for the purpose of providing matching grants to associations sponsoring championship dog mushing contests.

* Sec. 2. This Act takes effect on the effective date of a version of an Act entitled "An Act providing grants for championship dog mushing contests."

Introduced: 4/28/77
Referred: State Affairs and Finance

BY MEEKINS, ANDERSON, BEIRNE, BENNETT, BRADLEY, CHATTERTON, COTTEN, DANKWORTH, DUNCAN, ELIASON, FREEMAN, GARDINER, GRUENING, HAUGEN, HAYES, KELLY, LETHIN, MCKINNON, NAKAK, PARR, PHILLIPS, RHODE, RUDD, SMITH, SNIDER, SWANSON AND URION

IN THE HOUSE

HOUSE BILL NO. 512

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to competitive bidding under the Fiscal Procedures Act."

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

* Section 1. AS 37.05.230(1)(B) is repealed and re-enacted to read:

(B) bids shall be awarded to Alaska bidders in accordance with the following considerations: (i) a bid shall be awarded to an Alaska bidder if his bid is not more than 20 per cent higher than the lowest nonresident bidder's and any supplies, materials or equipment to be furnished the state are manufactured or warehoused in Alaska; (ii) a bid shall be awarded to an Alaska bidder if his bid is not more than five per cent higher than the lowest nonresident bidder's and any supplies, materials or equipment to be furnished the state are not manufactured or warehoused in Alaska; and

There will be discussion ON HJR 7 also.

Introduced: 1/13/77
Referred: State Affairs and Judiciary

IN THE HOUSE BY BRADLEY AND HALONE

HOUSE JOINT RESOLUTION NO. 7

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

Proposing amendments to the Constitution of the State of Alaska providing for a unicameral legislature.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. Article II, secs. 1, 2, 3, 12, 14, 16, 18 and 20, Constitution of the State of Alaska are amended to read:

SECTION 1. LEGISLATIVE POWER; MEMBERSHIP. The legislative power of the State is vested in a legislature [CONSISTING OF A SENATE WITH A MEMBERSHIP OF TWENTY AND A HOUSE OF REPRESENTATIVES] with a membership of sixty-one senators [FORTY].

SECTION 2. MEMBERS' QUALIFICATIONS. A member of the legislature shall be a qualified voter who has been a resident of Alaska for at least three years and of the district from which elected for at least one year, immediately preceding his filing for office. A senator shall be at least [TWENTY-FIVE YEARS OF AGE AND A REPRESENTATIVE AT LEAST] twenty-one years of age.

SECTION 3. ELECTION AND TERMS. Senators [LEGISLATORS] shall be elected at general elections. Their terms begin on the third [FOURTH] Monday of the January following election unless otherwise provided by law. The [TERM OF REPRESENTATIVES SHALL BE TWO YEARS, AND THE] term of senators shall be [,] four years. Thirty-one [ONE-HALF] of the senators shall be elected in the presidential election year and thirty in the gubernatorial election year [EVERY TWO YEARS].

SECTION 12. RULES. The [HOUSES OF EACH] legislature shall adopt [UNIFORM] rules of procedure. The legislature [EACH HOUSE] may choose

its officers and employees. The legislature [EACH] is the judge of the election and qualifications of its members and may expel a member with the concurrence of two-thirds of its members. The legislature [EACH] shall keep a journal of its proceedings. A majority of the membership of the legislature [EACH HOUSE] constitutes a quorum to do business, but a smaller number may adjourn from day to day and may compel attendance of absent members. The legislature shall regulate lobbying.

SECTION 14. PASSAGE OF BILLS. (a) The legislature shall establish the procedure for enactment of bills into law. No bill may become law unless it has passed three readings [IN EACH HOUSE] on three separate days, except that any bill may be advanced from second to third reading on the same day by concurrence of three-fourths of the membership [HOUSE CONSIDERING IT]. No bill may become law without an affirmative vote of a majority of the membership of the legislature [EACH HOUSE]. The yeas and nays on final passage shall be entered in the journal.

(b) No vote on final passage of a bill may be taken until five legislative days after its introduction and until at least one legislative day after the date publicly announced for it to appear on the daily calendar. However, in the case of an urgency bill necessary for the immediate preservation of the public peace, health, or safety, three-fourths of the membership may dispense with this requirement. A statement of facts constituting the necessity shall be set out in one section of the bill, and the section and the bill shall be passed separately, each by the concurrence of two-thirds of the membership. An urgency bill may not create or abolish any office, change the salary, term, or duties of an office, grant a franchise or special privilege, create a vested right or interest, or levy a tax.

SECTION 15. VETO. The governor may veto bills passed by the legislature. He may, by veto, strike or reduce items in appropriation

bills. He shall return any vetoed bill, with a statement of his objections, to the legislature [HOUSE OF ORIGIN].

SECTION 16. ACTION UPON VETO. Upon receipt of a veto message during a regular session of the legislature, the legislature shall meet immediately [IN JOINT SESSION] and reconsider passage of the vetoed bill or item. Bills to raise revenue and appropriation bills or items, although vetoed, become law by affirmative vote of three-fourths of the membership of the legislature. Other vetoed bills become law by affirmative vote of two-thirds of the membership of the legislature. Bills vetoed after adjournment of the first regular session of the legislature shall be reconsidered by the legislature [SITTING AS ONE BODY] no later than the fifth day of the next regular or special session of that legislature. Bills vetoed after adjournment of the second regular session shall be reconsidered by the legislature [SITTING AS ONE BODY] no later than the fifth day of a special session of that legislature, if one is called. The vote on reconsideration of a vetoed bill shall be entered in [ON] the journal [JOURNALS] of the legislature [BOTH HOUSES].

SECTION 18. EFFECTIVE DATE. Laws passed by the legislature become effective ninety days after enactment. The legislature may, by concurrence of two-thirds of the membership [OF EACH HOUSE], provide for another effective date.

SECTION 20. IMPEACHMENT. All civil officers of the State are subject to impeachment by the legislature. Impeachment [SHALL ORIGINATE IN THE SENATE AND] must be approved by a majority [TWO-THIRDS] vote of its members. The resolution [MOTION] for impeachment shall list fully the basis for the proceeding. Trial on impeachment shall be conducted by the legislature [HOUSE OF REPRESENTATIVES]. A supreme court justice designated by the court shall preside at the trial. Concurrence of three-fourths [TWO-THIRDS] of the members of the legislature [HOUSE] is

required for a judgment of impeachment. The judgment may not extend beyond removal from office, but shall not prevent proceedings in the courts on the same or related charges.

* Sec. 2. Article VI, Constitution of the State of Alaska, is repealed and re-adopted to read:

ARTICLE VI. LEGISLATIVE DISTRICTING.

SECTION 1. LEGISLATIVE DISTRICTS. (a) Members of the legislature shall be elected by the qualified voters in the legislative districts established in the manner provided in this article.

(b) Legislative districts shall consist of compact, contiguous territory. Each senator shall represent, as nearly as possible, an equal number of persons. The number of persons represented by each senator is determined by dividing the total membership of the legislature into the total population of the State. The basis for legislative redistricting shall be the total population of the State as reported in the most recent decennial federal census. If the redistricting is pursuant to a court order, the total population of the State as determined by the most recent decennial federal census, or, if the census is five years old or older, then other reliable population data, including but not limited to population estimates based on public school enrollments, public utility connections, registered voters or certified employment payrolls, shall be used as the basis for the legislative redistricting.

(c) To the extent the requirements of equality in terms of population permit, each legislative district shall contain, as nearly as practicable, a relatively integrated socio-economic area. In the formation of legislative districts, consideration shall be given to local government boundaries. Whenever possible, drainage basins and other identifiable geographic features shall be used in describing legislative

district boundaries.

SECTION 2. REDISTRICTING. (a) The governor shall redistrict the legislature in the manner prescribed by this article immediately following the official reporting of the decennial federal census, or immediately following a court order to redistrict.

(b) The term of office of a member of the legislature is not affected by a change in the boundaries of the district from which he was elected.

SECTION 3. REDISTRICTING ADVISORY BOARD. (a) The governor shall appoint a redistricting board to act in an advisory capacity to him. It shall consist of five members, none of whom may be public employees or officials. At least one member each shall be appointed from the Southeastern, Southcentral, Central, and Western or Northwestern regions of the State. Appointments shall be made without regard to political affiliation; however, the board membership shall include at least one member of each political party which nominated a candidate for governor who received at least ten per cent of the total vote cast at the preceding general election for governor.

(b) Board members shall be compensated.

(c) The board shall elect one of its members chairman and may employ a temporary staff. Concurrence of three members is required for a ruling or determination, but a lesser number may conduct hearings or otherwise act for the board.

SECTION 4. REDISTRICTING PLAN; PROCLAMATION. Within ninety days following the official reporting of the decennial federal census, the board shall submit to the governor a plan for redistricting as provided in this article and shall make the plan public. Within ninety days after receipt of the plan, the governor shall issue a proclamation of redistricting. An accompanying statement shall explain any change from

the plan submitted to him by the board. The redistricting shall be effective for the election of members of the legislature until after the official reporting of the next decennial census.

SECTION 5. ENFORCEMENT; JUDICIAL REVIEW, CORRECTION. A qualified voter may apply to the supreme court to compel the governor to perform his redistricting duties, to review the redistricting plan, or to correct an error in redistricting. Application to compel the governor to perform his redistricting duties must be filed within thirty days of the expiration of either of the two ninety-day periods specified in Section 4 of this article. Application to review the redistricting plan or to compel its correction must be filed within thirty days following the proclamation. Original jurisdiction in these matters is vested in the supreme court, and the cause may be reviewed by the supreme court upon the law and the facts.

* Sec. 3. Article II, sec. 10, and art. XIV, Constitution of the State of Alaska, are repealed.

* Sec. 4. The amendments proposed by this resolution shall be placed before the voters of the state at the next general election in conformity with art. XIII, sec. 1, Constitution of the State of Alaska, and the election laws of the state.

* Sec. 5. If the amendments proposed by this resolution are ratified by a majority of qualified voters voting on the resolution, the following provisions shall be followed in the transition from a bicameral to a unicameral legislature:

(1) the holdover members of the senate and those members of the senate and house of representatives elected to the Eleventh Alaska Legislature shall sit as a bicameral legislature during the first session, but shall sit as a unicameral legislature consisting of 60 members during the second session;

(2) at the first session of the Eleventh Alaska Legislature, the legislature shall make the necessary preparation for sitting as a unicameral legislature during the second session;

(3) no later than July 1, 1979, the governor shall redistrict the legislature in accordance with art. VI, Constitution of the State of Alaska, as amended by this resolution, to provide for a unicameral legislature consisting of 61 members; the total population of the state as determined by the most recent decennial federal census, or, if the census is five years old or older, then other reliable population data, including but not limited to population estimates based on public school enrollments, public utility connections, registered voters or certified employment payrolls, shall be used as the basis for the legislative redistricting;

(4) at the 1980 general election, 31 members of the legislature shall be elected to four-year terms, and 20 members shall be elected to two-year terms, set by the governor in the redistricting plan provided for by (3) of this section; the ten members of the senate elected to four-year terms in 1978 shall hold over as members of the Twelfth Alaska Legislature until the expiration of their terms in 1982.

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT.

Alaska State Legislature

SPECIAL COMMITTEE ON
THE ALASKA PERMANENT FUND
(907) 276-3433
528 W. 5TH, SUITE 270
ANCHORAGE, AK. 99501
[POUCH V, JUNEAU, AK. 99811]
(907) 465-3873

MEMBERS
REP. CLARK GRUENING, CHMN.
REP. TERRY GARDINER, V. CHMN.
REP. E. J. HAUGEN
REP. RUSS MEEKINS
REP. BILL MILES
REP. LEO SCHAEFFER
REP. RICK URION

House of Representatives

The House Special Committee on the Permanent Fund will meet from 1:30 p.m. to 5:00 p.m. December 12 and 9:00 a.m. to 5:00 p.m. December 13 in the Conference Room, 528 West Fifth Avenue. The meeting is open to the public.

In Friday's Times and Saturday's News

November ~~21~~ 23, 1977

The Honorable Alvin Osterbach
P.O. Box 71
Sand Point, AK 99661

sent to Juneau

Dear Representative Osterbach:

Enclosed please find additional materials given to Committee members at the November 18 and 19 Committee meeting.

Sincerely,

Mike Doogan
Administrative Assistant

Enclosures

November 21, 1977

The Honorable Russ Meekins
528 West Fifth
Anchorage, AK 99501

Russ:

Enclosed are the working materials from the Committee's November 18 and 19 meeting. Everything is here except the work draft of the Permanent Fund legislation which you have already. There were some changes made in that draft by the Committee and Bill Berrier is in the process of preparing a new draft.

The piece of RRDF legislation enclosed is from Terry Gardiner, who says to tell you it is a "rough, rough draft." It is going to Berrier for more work too. There was no RRDF draft presented at the Committee meeting. The RRDF subcommittee is having a meeting around December 1 in Juneau to do more work on the bill.

Hope you are getting terribly sunburned while the rest of us freeze.

Mike

Mike

Enclosures

November 21, 1977

The Honorable Rick Urion
4222 Pinnacle Circle
Anchorage, AK 99504

Dear Representative Urion:

Enclosed please find the working materials from the Committee's November 18 and 19 meeting.

Sincerely,

Mike Doogan
Administrative Assistant

Enclosure

November 21, 1977

The Honorable George Hohman
Senate Permanent Fund Committee
Pouch V
Juneau, AK 99811

Dear Senator Hohman:

Enclosed please find working materials from the Committee's November 18 and 19 meeting in Anchorage.

Sincerely,

Mike Doogan

Mike Doogan
Administrative Assistant

Enclosures

Alaska State Legislature

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REP. BILL MILES
REP. LEO SCHAEFFER
REP. RICK URION

House of Representatives

November 21, 1977

Charity Kadow
Legislative Information Office
1024 West Sixth
Anchorage, AK 99501

Dear Charity:

The Committee will hold its next meeting:

1:30 p.m. to 5:00 p.m.
December 12, 1977
Conference Room
528 West Fifth Avenue
Anchorage

9:00 a.m. to 5:00 p.m.
December 13, 1977
Conference Room
528 West Fifth Avenue
Anchorage

Please note the change in date.

Sincerely,

Mike

Mike Doogan
Administrative Assistant

Juneau Meeting

House Special Committee on the Alaska Permanent Fund

AGENDA

1. Report presentation - White, Weld & Co.
2. Discussion of potential work draft
3. Other business

9 a.m. October 21, 1977

Room 123a Capitol Building

Alaska State Legislature

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REP. RUSS MEEKINS
REP. BILL MILES
REP. LEO SCHAEFFER
REP. RICK URION

House of Representatives

The House Special Committee on the Permanent Fund will hold a Committee meeting from 1:30 p.m. to 5:00 p.m. November 18 and from 9:00 a.m. to 5:00 p.m. November 19 in the Conference Room, 528 West Fifth Avenue, Anchorage. The meeting is open to the public.

Please run November 16 (Wednesday)--Times
November 17 (Thursday)--Daily News

Alaska State Legislature

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REP. BILL MILES
REP. LEO SCHAEFFER
REP. RICK URION

to all com members list
+ special mailing list
(mins last ?)

House of Representatives

November 7, 1977

The Honorable Terry Gardiner
Box 6092
Ketchikan, AK 99901

Dear Representative Gardiner:

The Chairman has instructed me to remind you of the Committee's meeting on November 18 and 19. The meeting is scheduled for:

November 18
1:30 p.m. to 5:00 p.m.
Conference Room
528 West Fifth Avenue
Anchorage

November 19
9:00 a.m. to 5:00 p.m.
Conference Room
528 West Fifth Avenue
Anchorage

Please note that the location has been changed from the Court building. The Conference Room is adjacent to the Committee's office in Anchorage.

We anticipate that the first day will be mostly taken up with presentations from managers of public and private trust funds. The second day is scheduled for general Committee business and discussion of alternatives for draft legislation.

If this office can be of any assistance in arranging your attendance at the meeting, please do not hesitate to call on us.

Sincerely,

Mike Doogan

Mike Doogan
Administrative Assistant

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REP. E. J. HAUGEN
REP. RUSS MEEKINS
REP. BILL MILES
REP. LEO SCHAEFFER
REP. RICK URION

House of Representatives

September 2, 1977

Kris Harder
Pouch V
Juneau, AK 99811

Dear Kris:

This is to confirm the Committee's plan to meet in Juneau October 21 and 22. As we discussed, the Committee would like to use Courtroom A of the State Court Building from 10:00 a.m. to 5:00 p.m. on the 21st and from 9:00 a.m. to 5:00 p.m. on the 22nd. The first day will be a public discussion of Permanent Fund goals; the second a Committee work session. It would be greatly appreciated if you could secure a reel to reel tape recorder for those days and have it plugged into the room's sound system. For the first day, we will require sufficient microphones to allow for public testimony. Thanks for taking the time to help us out.

Sincerely,

Mike

Mike Doogan
Administrative Assistant

August 24, 1977

Charity Kadow
Legislative Information Office
1026 West 6th
Anchorage, AK 99501

Dear Charity:

Sorry this took so long in the making, but enclosed is a copy of the Committee's revised schedule. I'll send along details on the meetings that aren't pinned down as soon as they are available.

Sincerely,

Mike

Mike Doogan
Administrative Assistant

Enclosure

August 24, 1977

Ms. Fran Ulmer
Department of Policy Development and Planning
Pouch AD
Juneau, AK 99811

Dear Ms. Ulmer:

Enclosed please find a copy of the Committee's revised schedule.

Sincerely,

Mike Doogan

Mike Doogan
Administrative Assistant

Enclosure

August 15, 1977

Ms. Fraya Arnold
Alaska Court System
303 K Street
Anchorage, AK 99501

Dear Ms. Arnold:

This is to confirm meeting dates for the Committee as per our telephone conversation today.

The Committee will be holding a public hearing from 10:00 a.m. to 5:00 p.m. September 13 in Room 407 of the Court Building.

I also would like space reserved for Committee meetings:

From 1:30 p.m. to 8:00 p.m. November 11 and from 9:00 a.m. to 5:00 p.m. November 12.

From 1:30 p.m. to 5:00 p.m. December 9 and from 9:00 a.m. to 5:00 p.m. December 10.

Please let me know if these times and dates will fit your schedule.

Sincerely,

Mike Doogan

Mike Doogan
Administrative Assistant

August 16, 1977

April Moore
Legislative Information Office
P.O. Box 934
Fairbanks, AK 99707

Dear Ms. Moore:

This is to confirm our telephone conversation of Monday on the public discussion on Permanent Fund goals the Committee has scheduled in Fairbanks.

The meeting will be from 10:30 a.m. to 5:00 p.m. September 14 in the Borough Assembly Chambers. I would greatly appreciate it if you could confirm the availability of the Chambers and provide a reel-to-reel tape recorder, recording tape, and coffee for the meeting. If you incur any expenses in this regard, please let me know.

Thanks for your help.

Sincerely,

Mike Doogan

Mike Doogan
Administrative Assistant

August 16, 1977

Fraya Arnold
Alaska Court System
303 K Street
Anchorage, AK 99501

Dear Ms. Arnold:

As per our subsequent conversation Monday, the date for the Committee's public hearing changes from September 13 to September 15. Sorry about that. The other dates remain the same.

Sincerely,

Mike Doogan

Mike Doogan
Administrative Assistant

THE ...
(907) 276-3433
528 W. 5TH, SUITE 270
ANCHORAGE, AK. 99501
[POUCH V, JUNEAU, AK. 99811]
(907) 465-3873

...DINER, V. CHMN.
... E. J. HAUGEN
REP. RUSS MEEKINS
REP. BILL MILES
REP. LEO SCHAEFFER
REP. RICK URION

House of Representatives

November 7, 1977

Fraya Arnold
Alaska Court System
303 K Street
Anchorage, AK 99501

Dear Ms. Arnold:

The Chairman has instructed me to cancel our reservation of Room 402 for Committee meetings on November 18 and 19 and December 9 and 10. If this cancellation should cause any problems, please do not hesitate to let me know.

Sincerely,

Mike Doogan

Mike Doogan
Administrative Assistant

MD:LAD

Alaska State Legislature

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REP. BILL MILES
REP. LEO SCHAEFFER
REP. RICK URION

House of Representatives

October 27, 1977

Terrence B. Magrath
Fidelity International Investment Management, Inc.
Number One Boston Place
Boston, MA

Dear Terry:

I very much appreciated the time you and Roger Clifton spent going over with me some of the concepts and trends found in managing large capital funds. The October 7 meeting was, from my point of view, very worthwhile.

I followed your suggestion and stopped by Portland on the way home to talk to Roger Meier, Chairman of the Oregon Investment Council. My meeting with Mr. Meier was also informative.

My Committee next meets on November 18, 1977 at 1:30 p.m. in Anchorage. At that time, we will be hearing from Mr. Robert Blix, Executive Secretary, Minnesota State Board of Investment and a group from Manufacturers Hanover Trust. We would be very pleased if you and anyone else from your group would be able to attend and make any presentation you thought would be helpful. The overview you gave me in our October 7 meeting would be of interest to the whole Committee. Our consultant, Mr. Belden Daniels can be of assistance in letting you know in advance what other information might be of interest to our Committee and in answering specific questions you may have about the Alaska scene.

If you cannot attend, perhaps a later presentation is possible but in any event, thank you for the information provided to date. For your information, I've included a couple copies of the Committee's preliminary report together with our Department of Revenue's monthly investment reports.

Cordially,

Clark Gruening
Chairman

cc: Belden Daniels

Alaska State Legislature

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REP. LEO SCHAEFFER
REP. RICK URION

House of Representatives

September 21, 1977

The Honorable Larry D. Carpenter
403 Lignite Avenue
Fairbanks, AK 99701

Dear Larry:

Your interest and participation in the activities of the House Permanent Fund Committee is much appreciated. Ernie Haugen did attend the Anchorage and Kotzebue hearings and Rick Urion was able to make the Kotzebue meeting.

Since all meetings were scheduled and all members were notified well in advance, I expect members attend meetings as each individual schedule permits.

The whole record of the Fairbanks meeting does not, in my opinion, exhibit environmental extremism, but since I intend to hold another public hearing in Fairbanks (perhaps during the session), I will again consult you and all other Fairbanks legislators on individual invitations as was done for the last hearing. In addition, notice again will be given to the media.

Whether or not Kotzebue and Fairbanks have common interests, I expect Finance Committee Chairman Steve Cowper, who is keeping posted of all our activities and to whose Committee all Permanent Fund legislation has been referred will have a great deal to say about the shape of Permanent Fund legislation.

Anyone who wishes to supplement the record of the first Fairbanks hearing may do so by submitting testimony directly to the Committee or by answering the questionnaire at the end of the Committee's preliminary report.

Please let us know if you would like copies of the report. If you have any solutions or further concerns, I'd appreciate hearing from you.

Cordially Clark

Rep. Clark Gruening
Chairman

Alaska State Legislature

REPRESENTATIVE
LARRY D. CARPENTER
DISTRICT 20
FAIRBANKS

HOME ADDRESS
403 LIGNITE AVE.
FAIRBANKS, AK. 99701
(907) 452-8812

LEGISLATIVE ADDRESS
POUCH V - STATE CAPITOL
JUNEAU, AK. 99811
(907) 465-4941

HOUSE OF REPRESENTATIVES

Sept. 15, 1977

Rep. Clark Gruening
940 Tyonek
Anchorage, AK 99501

Dear Clark:

Both in Anchorage on Saturday and here in Fairbanks yesterday I had to leave your hearings early in order to make other engagements. So, I didn't have an opportunity to talk with you. I'll take this means of thanking you for calling and inviting me to the symposium and for permitting me to join your panel at yesterday's hearing.

I'm concerned that minority members of your committee were not present at either hearing. I'm also concerned that no one representing Interior Alaska concerns serves on your committee. I guess we could consider Leo Schaeffer of Kotzebue as Interior, although Kotzebue and Fairbanks have very little in common.

I have another concern. Testimony in Fairbanks was not at all representative of a cross-section of our community. The hearing was heavily attended by evironmental extremists, while not a single person from the business community made an appearance, with the exception of Tim Wallis, who himself occupies a unique position somewhat apart from other business leaders.

These are my concerns, and granted they are not solutions. But I wanted to call them to your attention.

Best,

Larry

Dear Larry:

Your ~~[illegible]~~ interest and participation in the activities of House Permanent Fund Committee is much appreciated. ~~I too was disappointed that Rie Wood and~~ Ernie Haugen ~~could not~~ did attend ~~the symposium and the testimony~~ the Anchorage and Kotzebue hearings and

Re Unon was able to make the Kotzebue meeting. Since all meetings were scheduled well in advance and all members were notified well in advance I expect each members will attend all these meetings as each individual schedules permits. The whole record of the Fairbanks meeting does not in my opinion exhibit environmental extremism but since I intend to hold another public hearing in Fairbanks (perhaps during the session) I will again consult you as well as and all other Fairbanks legislators on individual invitations as was done for the last hearing. In addition, notice again will go out in the media.

Whether or not Kotzebue and Fairbanks have common interests I expect Finance Committee Chairman Steve Cowper who is keeping posted of all our activities and to whose committee all Permanent Fund legislation has been referred will have a great deal to say about the shape of permanent fund legislation.

For Please inform any anyone who wishes to supplement the record of the first Fairbanks hearing may do so by writing directly submitting his testimony directly to the committee or by answering the questionnaire at the end of the Committees Preliminary Report Please let us know if you would like copies of the report to send. Please If you have any further suggestions or further concerns or questions, I'd appreciate hearing from you.

Cordially,

bcc Charlie Parr
Steve Cowper

10/17/77

TO: Clark Gruening
Chairman

FROM: Mike Doogan MD
Administrative Assistant
House Special Committee on
The Alaska Permanent Fund

SUBJECT: Report on Permanent Fund Panel at Southeast Conference
Sitka
October 13, 1977

Members of the Southeast Conference, mainly municipal officials, were unanimous in their endorsement for using Permanent Fund money to finance hydroelectric projects. Although several financing methods were discussed--ranging from debt guarantees to direct appropriation of a percentage of the Fund to such projects--none was specified. Such specification may come from the Conference's policy statement on the Permanent Fund.

Several formal statements were presented, most like the one attached.

Present representing state government were Revenue Commissioner Sterling Gallagher, Deputy Commissioner Jim Edenso, Senator Pat Rodey, and Representatives Russ Meekins and Ernie Haugen.

September 30, 1977

John Schaeffer
Box 49
Kotzebue, AK 99572

Dear John:

I want to let you know how much the members of the Committee appreciated the time you took from your otherwise busy schedule to show us the museum and the jade operation and share with us your ingights on investment goals for the Permanent Fund.

I hope we may have the opportunity to haaryfrom you again when the Committee develops some specific legislative proposals for the Permanent Fund.

Cordially,

Mike Doogan

for Rep. Clark Gruening
Chairman

CG:LAD

Alaska State Legislature

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REP. RUSS MEEKINS
REP. BILL MILES
REP. LEO SCHAEFFER
REP. RICK URION

House of Representatives

To all committee members

October 11, 1977

The Honorable Terry Gardiner
Box 6092
Ketchikan, AK 99901

Dear Terry:

The Chairman has instructed me to remind you of the Committee's upcoming meeting in Juneau. The particulars of that meeting are:

October 20
Public Hearing
9:00 a.m. to 5:00 p.m.
Fifth Floor Conference Room
Alaska Office Building

October 21
Committee Meeting
9:00 a.m. to 4:00 p.m.
Conference Room 123
Capital Building

At the meeting, we hope to go over discussion drafts of bills structuring the Permanent Fund and hear from a number of consultants. If the public hearing does not take up its allotted time, the Committee meeting may begin on October 20.

If there is anything this office can do to assist with your travel arrangements, please do not hesitate to call either myself or LouAnn Diamond.

Sincerely,

Mike

Mike Doogan
Administrative Assistant

October 4, 1977

Mr. J. L. McCandless
Vice President
Manufacturers Hanover Trust Company
600 Fifth Avenue
New York, NY 10020

Dear Jake:

I am writing at the direction of the Chairman, Clark Gruening, to firm up arrangements for a presentation by your firm at the Committee's November meeting in Anchorage. The enclosed schedule gives details of that meeting.

It is my understanding that your firm will be prepared to make presentation on how it handles trust/pension accounts and other types of financial management. In this regard, we think that any information you could give the Committee on the management of private trust accounts and the way that management contrasts with management of public trust accounts would be most useful.

At this point, it looks as if such a presentation should be made on November 18 not long after the Committee meeting commences. This, of course, may change; but I am confident in scheduling the presentation for planning purposes at that time.

Also enclosed for your information are some recent fact sheets on current investment of Alaska pension and other funds from the State Department of Revenue.

In closing, I would like to reiterate that it appears unlikely that the Committee will make specific assignments of funds for management, since its charge is to present suggestions to the full house on enabling legislation. In short, we view our position as being in the initial stages of a process.

Sincerely,

Mike Doogan
Administrative Assistant

October 4, 1977

Robert E. Blixt
Executive Secretary
Minnesota State Board of
Investments
Room 105, MEA Building
55 Sherburn Avenue
St. Paul, MN 55155

Dear Mr. Blixt:

I am writing at the direction of the Chairman, Clark Gruening, to confirm his request that you appear before the Committee at its November meeting in Anchorage. For the purpose of scheduling, I anticipate that you would speak to the Committee on November 18 (see enclosed schedule). Also appearing at that meeting will be representatives of Manufacturer's Hanover Trust.

If there is anything I can do to facilitate your travel arrangements, please do not hesitate to call on me. Payment of the expenses you incur in making this trip can be handled in any way that would suit you, consistent, of course, with the state's paperwork requirements.

Enclosed for your information are recent accountings of current investment of state pension and other surplus funds.

In closing, let me say that both the Chairman and I look forward to discussing with you your experience in management of state funds.

Sincerely,

Mike Doogan

Mike Doogan
Administrative Assistant

Enclosures

Alaska State Legislature

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REP. BILL MILES
REP. LEO SCHAEFFER
REP. RICK URION

House of Representatives

October 4, 1977

Jim Rhode
House Finance Committee
528 West Fifth
Anchorage, AK 99501

Dear Jim:

Enclosed is an updated Committee meeting schedule. Please note that the dates of the Juneau meeting and the November Anchorage meeting have been changed from those on the previous schedule.

If you have any questions, please do not hesitate to get in touch with this office.

Sincerely,

Mike

Mike Doogan
Administrative Assistant

Enclosure

SCHEDULE

September 10	Symposium on PF goals Anchorage
September 14	Discussion of PF goals 10:30 a.m. to 5:00 p.m. Borough Assembly Chambers 525 Fifth Avenue Fairbanks
September 15	Discussion of PF goals 10:00 a.m. to 5:00 p.m. Room 402, 303 K Street State Court building Anchorage
September 16	Discussion of PF goals 1:00 p.m. to 5:00 p.m. City Hall Kotzebue
September 17	Committee meeting 9:00 a.m. to 4:00 p.m. City Hall Kotzebue
October 13-14	Southeast Hydropower Conference Sitka
October 21	Discussion of PF goals Juneau
October 22	Committee meeting Juneau
November 11	Committee meeting 1:30 p.m. to 5:00 p.m. Room 402, State Court building 303 K Street Anchorage
November 12	Committee meeting 9:00 a.m. to 5:00 p.m. Room 204, State Court building 303 K Street Anchorage
December 9	Committee Meeting 1:30 p.m. to 5:00 p.m. Room 402, State Court building 303 K Street Anchorage
December 10	Committee Meeting 9:00 a.m. to 5:00 p.m. Room 402, State Court building 303 K Street Anchorage

September 28, 1977

Susan Fowler
State Court Building
Room 644
Juneau, AK 99811

Dear Susan:

The schedule for the Committee's Juneau meeting is as follows:

October 20--9:00 a.m. to 5:00 p.m.
Fifth Floor Conference Room
Alaska Office Building
Public hearing on Permanent Fund goals

October 21--9:00 a.m. to 4:00 p.m.
Hearing Room 123
Committee Work Session

Enclosed please find copies of the prepared testimony of Tim Wallis (given in Fairbanks) and Harold Pomeroy and Betzi Woodman (given in Anchorage). Also enclosed is a copy of the Alaska Public Forum's schedule.

Sincerely,

Mike Doogan

Mike Doogan
Administrative Assistant

MD:LAD

Enclosures

September 26, 1977

Charity Kadow
Legislative Information Office
1026 West Sixth
Anchorage, AK 99501

Dear Charity:

Just a note to confirm the time change on the Committee's meeting on October 20 in Juneau. The meeting will begin at 9:00 a.m. instead of 1:00 p.m.aas previously planned. Please make the change in the interim calendar and notify the appropriate person or agency.in Juneau.

Sincerely,

Mike Doogan

Mike Doogan
Administrative Assistant

MD:LAD

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

TREASURY DIVISION

ELEVENTH FLOOR
STATE OFFICE BUILDING
POUCH SB
JUNEAU, ALASKA 99811

September 7, 1977

The Honorable Clark Gruening
Alaska State Representative
Member, State Investment Advisory Committee
940 Tyonek
Anchorage, Alaska 99504

Dear Mr. Gruening:

I have arranged for a meeting of the State Investment Advisory Committee to be held in Sitka October 13 - 14, 1977 to coincide with the Southeast Hydropower Conference and the House and Senate Permanent Fund Committee meetings on that date.

The meeting will be held in the Centennial Building, Sitka, starting at 1:30 p.m. on October 13 and again at 9:00 a.m. on October 14. The subject to be discussed will be Alaska Permanent Fund investment opportunities in power development. An agenda will be forwarded to you at a later date.

Please advise me if you can or cannot attend.

Sincerely,

Bruce Edenson

for Jim Edenso
Deputy Commissioner

JE:ge

04-D12LH

Alaska State Legislature

SPECIAL COMMITTEE ON
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REP. LEO SCHAEFFER
REP. RICK URION

House of Representatives

September 19, 1977

Charity Kadow
Legislative Information Office
1024 West Sixth
Anchorage, AK 99501

Dear Charity:

The schedule for the Committee's Juneau meeting is as follows:

October 20--Public hearing, fifth floor Conference Room, Alaska Office Building, 1:00 p.m. to 5:00 p.m.

October 21--Committee meeting, Committee Room 123 9:00 a.m. to 4:00 p.m.

Please confirm these arrangements with your Juneau office and make the appropriate change in the calendar. Thanks.

Sincerely,

Mike

Mike Doogan
Administrative Assistant

MD:LAD

September 19, 1977

April Moore
Legislative Information Office
P.O. Box 934
Fairbanks, AK 99707

Dear Ms. Moore:

Just a note to thank you for your efforts in setting up the Committee's hearing last Wednesday. I know that the members found the testimony offered by Fairbanksians valuable. Please convey these thanks to the folks at the borough for the use of the hearing room.

Sincerely,

Mike

Mike Doogan
Administrative Assistant

MD:LAD

September 19, 1977

FrayerArnold
Alaska Court System
303 K Street
Anchorage, AK 99501

Dear Ms. Arnold:

I would like to move the Committee's November meeting from the 11th and 12th to the 18th and 19th. I trust that this will not be too much trouble. If problems do arise, please do not hesitate to give me a call.

Sincerely,

Mike Doogan
Administrative Assistant

MD:LAD

September 7, 1977

Tom Sheldon
Box 333
Kotzebue, AK 99752

Dear Mr. Sheldon:

Enclosed is a roster of those travelling with the Committee for the Kotzebue meeting. We will have eight persons overnighting. The eight persons listed as arriving on Wien flight #47 will be overnighting in Kotzebue, the only female be being LouAnn Diamond, the recording secretary. I would appreciate it if you would pass this information along to the hotel there. In addition, it would be greatly appreciated if you could provide transportation to and from the airport.

Sincerely,

Mike Doogan

Mike Doogan
Administrative Assistant

Enclosure

TO KOTZEBUE

9/16/77--Friday

WIEN Flight #47

LV ANC 9:00 a.m.
AR KOTZ 10:50 a.m.

Clark Gruening
Russ Meekins
Ernie Haugen
Hugh Malone
Pat Rodey
Belden Daniels
Mike Doogan
LouAnn Diamond

9/17/77--Saturday

WIEN Flight #34

LV KOTZ 5:25 p.m.
AR ANC 7:50 p.m.

Terry Gardiner

9/17/77--Saturday

GREAT NORTHERN

LV ANC 7:45 a.m.
AR KOTZ 9:45 a.m.

9/17/77--Saturday

WIEN Flight #34

LV KOTZ 5:25 p.m.
AR ANC 7:50 p.m.

TO FAIRBANKS

9/14/77--Wednesday

ALASKA Flight #81

LV ANC 8:50 a.m.
AR FBX 9:40 a.m.

Clark Gruening
Russ Meekins
Hugh Malone
Belden Daniels
Mike Doogan
LouAnn Diamond

ALASKA Flight #2096

LV FBX 5:30 p.m.
AR ANC 6:20 p.m.

Cost ——
each day
?
weekends &
holidays
$14.62/hr.
which is 1½ on Sat.
holiday
will bill us

Alaska Court System

State of Alaska

OFFICE OF ADMINISTRATIVE DIRECTOR
303 K STREET
ANCHORAGE, ALASKA
99501

August 25, 1977

Mr. Mike Doogan
Administrative Assistant
Special Committee on
the Alaska Permanent Fund
528 West 5th, Suite 270
Anchorage, Alaska 99501

Dear Mr. Doogan:

With regard to my letter to you dated August 17th pursuant to your hearings which are to be held in the Court Complex in coming months, I neglected to point out that the hearing which is to be held on November 11th falls on a state holiday. Since a security person normally would not be on duty that date, you will be charged a security fee on the 11th as well as the scheduled Saturdays.

Sincerely,

Fraya Arnold

Fraya Arnold
Supply Officer

528 W. 5TH, SUITE 270
ANCHORAGE, AK. 99501
[POUCH V, JUNEAU, AK. 99811]
(907) 465-3873

...V. CHMN.
...J. HAUGEN
REP. RUSS MEEKINS
REP. BILL MILES
REP. LEO SCHAEFFER
REP. RICK URION

House of Representatives

Sent To
Linhauer Rogers
Love

September 2, 1977

John Havelock
1417 F Street
Anchorage, AK 99501

Dear Mr. Havelock:

The symposium about which we have spoken is scheduled to being at 9:00 a.m. September 10 in the Alaska Room of the Anchorage Westward Hilton Hotel.

What we'd like you to do are essentially two things. First, after Drs. Bergman and Gordon have spoken, we would appreciate any questions you might have that would draw out the implications of any uses of Fund money they have stated. Second, it is a requirement of the Alaska Humanities Forum, which is co-sponsoring the symposium, that we attempt to evaluate the symposium. So, we'd appreciate it if you could jot down your thoughts on how the symposium furthered realistic discussion of the Permanent Fund.

Roughly, the agenda looks like this:

1. Remarks by Drs. Bergman and Gordon
2. Questions from the Committee
3. Questions from the citizen panel (that's you)
4. Questions from the audience

LUNCH BREAK

5. Discussion of points raised in smaller groups.

If you have any suggestions on changes of the above, please give me a call.

Sincerely,

Mike Doogan

Mike Doogan
Administrative Assistant
House Special Committee on
The Alaska Permanent Fund

SPECIAL COMMITTEE ...
THE ALASKA PERMANENT FUND
(907) 276-3433
528 W. 5TH, SUITE 270
ANCHORAGE, AK. 99501
[POUCH V, JUNEAU, AK. 99811]
(907) 465-3873

REP. TERRY GARDINER, V. CHMN.
REP. E. J. HAUGEN
REP. RUSS MEEKINS
REP. BILL MILES
REP. LEO SCHAEFFER
REP. RICK URION

House of Representatives

September 2, 1977

Kris Harder
Pouch V
Juneau, AK 99811

Dear Kris:

This is to confirm the Committee's plan to meet in Juneau October 21 and 22. As we discussed, the Committee would like to use Courtroom A of the State Court Building from 10:00 a.m. to 5:00 p.m. on the 21st and from 9:00 a.m. to 5:00 p.m. on the 22nd. The first day will be a public discussion of Permanent Fund goals; the second a Committee work session. It would be greatly appreciated if you could secure a reel to reel tape recorder for those days and have it plugged into the room's sound system. For the first day, we will require sufficient microphones to allow for public testimony. Thanks for taking the time to help us out.

Sincerely,

Mike

Mike Doogan
Administrative Assistant

August 16, 1977

Fraya Arnold
Alaska Court System
303 K Street
Anchorage, AK 99501

Dear Ms. Arnold:

As per our subsequent conversation Monday, the date for the Committee's public hearing changes from September 13 to September 15. Sorry about that. The other dates remain the same.

Sincerely,

Mike Doogan

Mike Doogan
Administrative Assistant

August 16, 1977

April Moore
Legislative Information Office
P.O. Box 934
Fairbanks, AK 99707

Dear Ms. Moore:

This is to confirm our telephone conversation of Monday on the public discussion on Permanent Fund goals the Committee has scheduled in Fairbanks.

The meeting will be from 10:30 a.m. to 5:00 p.m. September 14 in the Borough Assembly Chambers. I would greatly appreciate it if you could confirm the availability of the Chambers and provide a reel-to-reel tape recorder, recording tape, and coffee for the meeting. If you incur any expenses in this regard, please let me know.

Thanks for your help.

Sincerely,

Mike Doogan

Mike Doogan
Administrative Assistant

August 16, 1977

Mr. Tom Sheldon
P.O. Box 333
Kotzebue, AK 99752

Dear Mr. Sheldon:

This is to confirm the information on the Committee's meeting in Kotzebue on September 16 and 17.

We are planning on six persons arriving in Kotzebue for the meeting. The arrival time will be 10:50 a.m. on Wien flight #47. The Committee's schedule will be a public discussion of Permanent Fund goals at the City Hall from 1:00 p.m. to 5:00 p.m. on September 16. On September 17, the Committee will hold a work session from 9:00 a.m. to 4:00 p.m. at City Hall. The Committee will depart Kotzebue at 5:25 p.m. on Wien flight #34.

As I said on the telephone, it will be greatly appreciated if you could arrange for the use of City Hall on those dates, with a radio hook-up for the public discussion on September 16. In addition, I would appreciate it if you could handle hotel reservations for the Committee and notification of the public about the meeting.

If any questions or problems arise, please do not hesitate to call me collect at the Committee's Anchorage office.

Sincerely.

Mike Doogan

Mike Doogan
Administrative Assistant

cc: Representative Leo Schaeffer

August 15, 1977

Ms. Fraya Arnold
Alaska Court System
303 K Street
Anchorage, AK 99501

Dear Ms. Arnold:

This is to confirm meeting dates for the Committee as per our telephone conversation today.

The Committee will be holding a public hearing from 10:00 a.m. to 5:00 p.m. September 13 in Room 407 of the Court Building.

I also would like space reserved for Committee meetings:

From 1:30 p.m. to08:00 p.m. November 11 and from 9:00 a.m. to 5:00 p.m. November 12.

From 1:30 p.m. to 5:00 p.m. December 9 and from 9:00 a.m. to 5:00 p.m. December 10.

Please let me know if these times and dates will fit your schedule.

Sincerely,

Mike Doogan
Administrative Assistant

ALASKA PERMANENT FUND WORKING GROUP

MEETING

Time: 9:00 a.m.

Date: July 13, 1977

Place: Fish and Game Auditorium, Juneau, Alaska

Purpose: Administrative Working Group on the Alaska Permanent Fund

AGENDA

I Review the State Investment Advisory Committee Activity and Proposal

A. Proposed structure and organization for the Alaska Permanent Fund

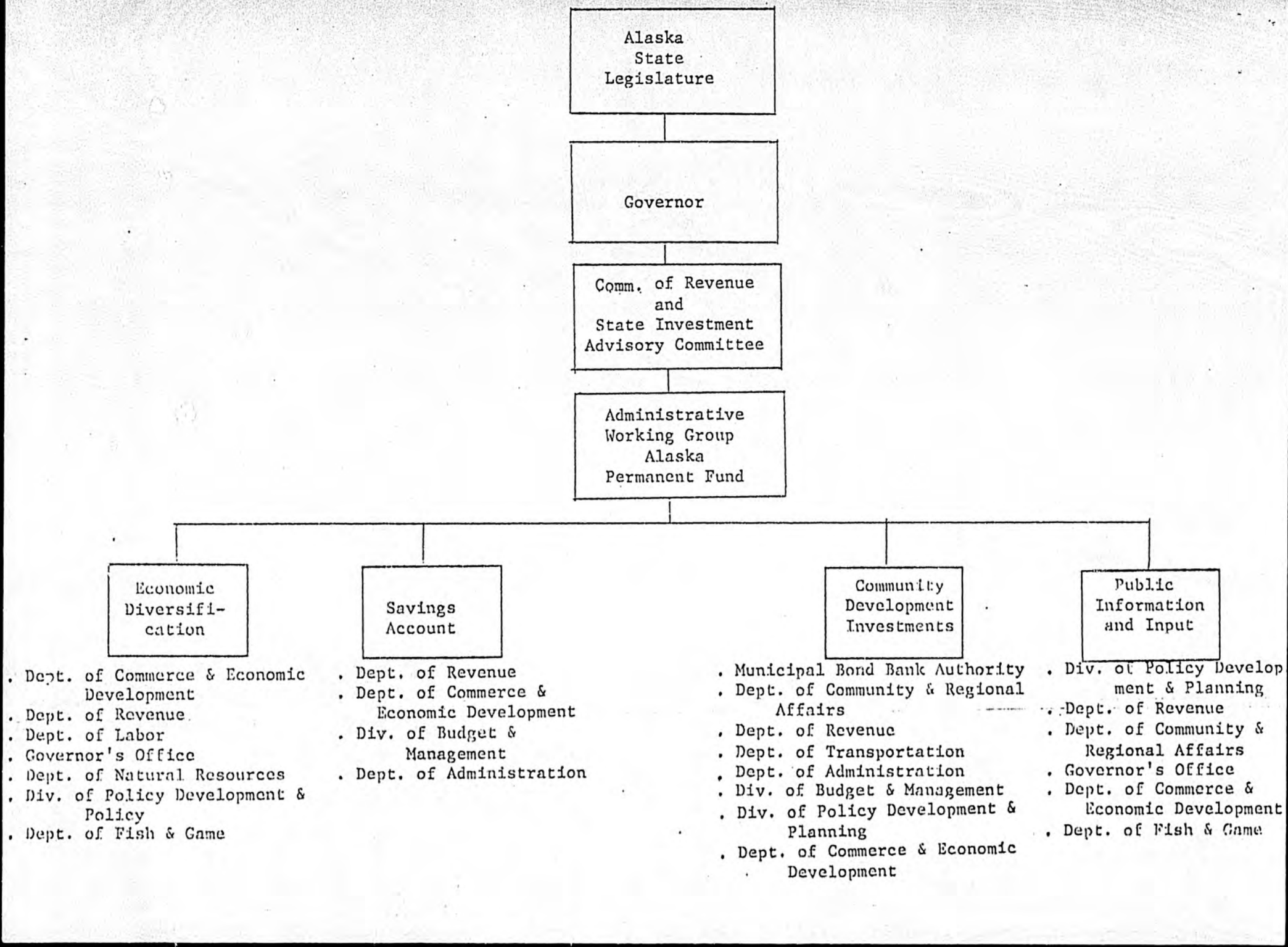
B. Proposed Investment categories of the Alaska Permanent Fund

II Working Group Organization

A. Sub-groups

B. Activity/Assignments

ALASKA PERMANENT FUND INTERIM ACTIVITY



ALASKA PERMANENT FUND WORKING GROUP

The Governor appointed the Department of Revenue as the lead agency for the administration in the development of the Alaska Permanent Fund. Further, the Governor appointed the State Investment Advisory Committee to aid the State in the development of the Alaska Permanent Fund (the S.I.A.C. is statutorily mandated to advise the State on investment policy). It is the recommendation of the Department of Revenue that the proposed administrative Alaska Permanent Fund Working Group report to the State Investment Advisory Committee in order to continue the rapport already established with Alaska's various interest groups. The purpose of the Working Group will be to develop recommendations on policy for the S.I.A.C. based on public input and State agency programs.

The Division of Policy Development and Planning will be responsible for coordinating the efforts of the Working Group. It will monitor report preparation and distribution to all agencies. Each agency will be responsible for the preparation of reports and subsequent presentation to the Working Group. The Division of Policy Development and Planning and the Department of Revenue will be responsible for jointly preparing a final report to the State Investment Advisory Committee.

The membership of the proposed Working Group be comprised of the following:

Department of Revenue/Commissioner's Office

Department of Commerce & Economic Development/Commissioner's Office

Department of Community & Regional Affairs/Commissioner's Office

Department of Transportation/Commissioner's Office

Department of Administration/Commissioner's Office

Department of Labor/Commissioner's Office

Department of Natural Resources/Commissioner's Office

Department of Law/Attorney General's Office

Department of Fish & Game/Commissioner's Office

Governor's Office/Kent Dawson

Office of Budget & Management/Ron Lind

Division of Policy Development & Planning/Director's Office

Alaska Municipal Bond Bank Authority/Dave Rose

The Working Group should be sub-divided into the following categories for participation purposes:

a. Public information and input

b. Community development investments

c. Savings account

d. Economic diversification

Task assignments will be made at the first meeting of the Working Group. Each assignment should take into consideration each agency's major area of activity and expertise, e.g., Community and Regional Affairs be assigned in the community development area; Division of Policy Development and Planning for agency coordination (circulating reports for comments, deadlines, etc.), and so on.

Specific Questions to be Addressed by the Alaska Permanent Fund Working Group:

I. Public Comment and Information Input

How should the Alaska Permanent Fund monies be invested?

A. Investments in the private sector.

If the Alaska Permanent Fund is used to stimulate development in the private sector, a number of questions should be asked of the public. The following are questions which may be presented to the public for consideration:

1. Investments in capital intensive sectors versus investments in labor intensive sectors.

2. Investments which subsidize project development through interest rates lower than market rates of interest.

3. Investments at market rates of interest.

4. Investments to diversify the economy in order to eliminate seasonal effects of certain industries, implement new industries, and to broaden the State's recurring tax base.

5. Investments which minimize environmental impact.

B. Community development investments.

Some types of community development projects which need to be considered by the public include:

1. Housing.

2. Infra-structure development (to include utilities, transportation, communications, power development, etc.).

3. Financial assistance to communities through providing trust, guarantee, and other types of agreements for municipal securities.

Questions which need to be asked pertinent to community development include:

1. What kind of housing: single family, multiple, large housing development projects (condominium development)?

2. Would there be a limitation on infra-structure development assistance?

3. Should there be a specific amount allocated for community development projects?

C. Savings account.

The savings account concept means that the Alaska Permanent Fund could be either partially or wholly invested in the financial securities markets. This concept implies investments of the Alaska Permanent Fund monies in U. S. government securities, BAa securities, and other securities of a similar rating. The objective is to earn the greatest amount of income while minimizing the amount of risk in order to insure the preservation of the Permanent Fund. Questions to be presented to the public include:

1. What percentage of the Alaska Permanent Fund should be allocated to the savings account concept?

D. Alaska, Inc.

II. State Agency Data and Study.

A. Investments in the private sector.

Information concerning Alaska's economy may be useful in evaluating investment proposals submitted to the Alaska Permanent Fund. The development of a sectorial analysis of the State's economy to provide information to be used for evaluating investment proposals is an important aspect of the State agency and data area. Such questions as the following may be asked:

1. What sectors of the State's economy are more attractive for investment purposes?

2. What sectors of the State's economy should be considered for purposes of prioritizing investments from the Alaska Permanent Fund in the State's economy?

3. Should there be an allocated amount of Alaska Permanent Fund monies designated for investment purposes into a particular sector of the Alaska economy?

B. Community development investments.

1. Regional growth rates (actual, projected, limitations).

2. Projected housing needs.

3. Mutual options for community investments in the categories of electric power, utilities, transportation facilities, and communication.

4. An inventory of community investment opportunities.

5. An inventory of community credit characteristics.

C. Savings account (financial management and investments).

1. The State's investment management experience in the security market.

2. Investment management experience of other investment managers.

D. Other technical questions.

1. Legal meaning of "permanent" and "income producing".

2. Comparison of cost of administration of other State investment funds.

E. Alaska, Inc.

July 8, 1977

Honorable Leo Schaeffer
P.O. Box 291
Kotzebue, Alaska 99752

Dear Leo:

I am enclosing with this letter a copy of Tussing's report which we just received. I feel that the report is pretty pessimistic about the effects of the Fund's investments in urban areas such as Anchorage, however, Permanent Fund investments can be of great value for rural areas. I hope that you will be able to come in and work with the consultants while they are here to come up with some good ideasffor your area.

See you at the meeting.

Cordially,

Rep. Clark Gruening, Chairman
House Committee on
The Permanent Fund

ALASKA PERMANENT FUND WORKING GROUP

MEETING

Time: 9:00 a.m.

Date: July 13, 1977

Place: Fish and Game Auditorium, Juneau, Alaska

Purpose: Administrative Working Group on the Alaska Permanent Fund

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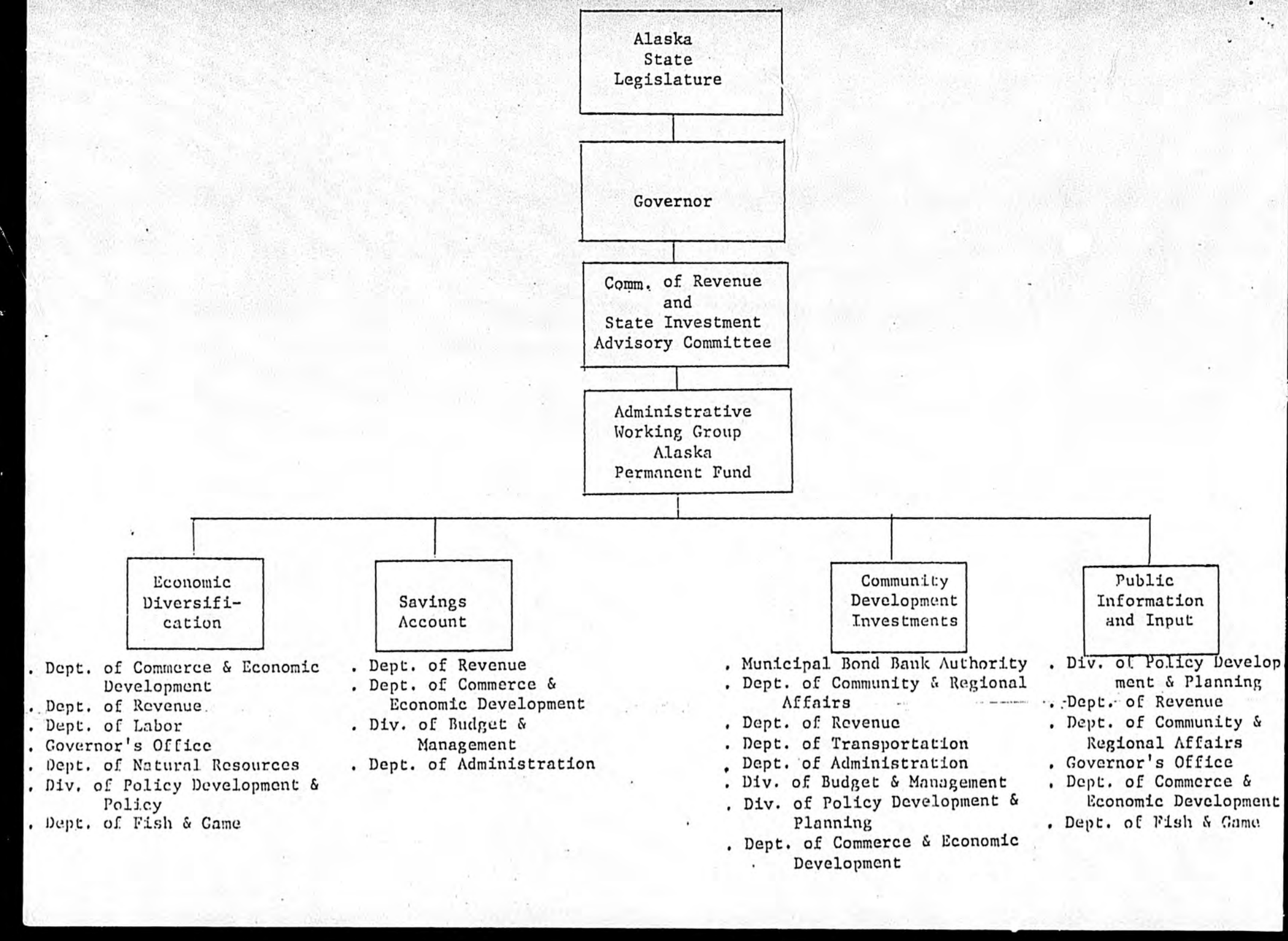

ALASKA PERMANENT FUND WORKING GROUP

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D. Alaska, Inc.

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2. Investment management experience of other investment managers.

D. Other technical questions.

1. Legal meaning of "permanent" and "income producing".

2. Comparison of cost of administration of other State investment funds.

E. Alaska, Inc.

#128

3

Chairman's Report

1. Committee budget
2. Contract narratives
3. Questionnaire results
4. Public Forum interim results
5. Final report outline
6. Change of meeting date

Category	Spent 10/31	Projected 12/31
SUBCOMMITTEE BUDGET	30,000.00 (encumbered)	30,000.00
Ketchikan Office		
Peggy Thompson, Sec.	2,407.92	2,970.00
Rent	212.16	636.48
Telephone	104.70	104.70
Supplies	54.04	54.04
Subcommittee Subtotal	32,778.82	33,765.22
Committee Subtotal	46,525.61	94,537.97
COMMITTEE TOTAL	79,304.43	128,303.19
Committee Budget	188,869.00	188,869.00
Less Committee Total	79,304.43	128,303.19
COMMITTEE BALANCE	109,564.57	60,565.81

HOUSE SPECIAL COMMITTEE ON THE PERMANENT FUND

BUDGET

Category	Spent 10/31	Projected 12/31
PERSONAL SERVICES		
Brian Rogers, AA (terminated 7/31)	1,874.06	1,874.06
Mike Doogan, AA (hired 8/1)	8,104.26	13,590.05
Katherine Brown, Sec. (term. 7/31)	1,536.07	1,536.07
LouAnn Diamond, Sec. (hired 8/1)	4,933.05	8,870.40
Sherida Hughes, Media Consultant	2,697.95	5,000.00
Alephe Morris, Typist (term. 7/31)	148.50	148.50
	19,293.89	31,019.08
TRAVEL/PER DIEM	3,666.75	10,249.58
CONTRACTUAL SERVICES		
Douglas Pope	7,565.69	16,100.00
Belden Daniels	10,453.96	19,500.00
Brian Rogers	-0-	1,750.00
Judy Brogan (terminated 10/31)	465.00	465.00
Alephe Morris	-0-	500.00
Charlotte Woline (term. 8/15)	228.75	228.75
Brochure		
Van Cleve Printing	1,093.50	1,093.50
Computer Composition	165.00	165.00
Postage	750.00	750.00
Pitney Bowes	93.85	93.85
TV Advertisements		
UA Media Services	478.00	478.00
Communications Market	50.00	50.00
Northern Video	278.08	278.08
Symposium		
Barbara Bergman		
Fees/Expenses	1,091.00	1,091.00
Travel	516.19	516.19
Donald Gordon		
Fees/Expenses	-0-	1,100.00
Travel	276.40	276.40
George Rogers		
Travel/Expenses	186.07	186.07
Anchorage Westward	444.69	444.69
Electronics Company	852.50	852.50
KYAK	-0-	81.00
KHAR	-0-	74.50
KKLV	-0-	47.00
KFQD	-0-	96.00

Category	Spent 10/31	Projected 12/31
Times Publishing	-0-	109.08
Humanities Forum Regrant	(3,000.00)	(3,869.00)
Office		
Rent	-0-	6,000.00
Telephone	836.22	2,000.00
Meeting/Hearing Ads		
Times Publishing	-0-	350.00
KFQD	-0-	311.00
KYAK	-0-	180.00
KHAR	-0-	135.00
KKLV	-0-	94.00
News-Miner	-0-	106.40
Southeast Empire	-0-	140.70
KJNO	-0-	60.60
Miscellaneous		
Freight	105.31	500.00
News Subscriptions	159.00	159.00
Clipping Service	15.00	75.00
TOTAL	23,104.21	52,569.31
COMMODITIES		
Office Supplies	128.99	200.00
Petty Cash	331.77	500.00
TOTAL	460.76	700.00
COMMITTEE SUBTOTAL	46,525.61	94,537.97

Contract Narratives

1. Belden Daniels

Dr. Daniels has completed two reports to the Committee and is continuing to consult on matters pertaining to the Permanent Fund and the Renewable Resources Development Fund at the direction of the Committee Chairman.

2. Douglas Pope

Mr. Pope is doing legal research and consulting on legal implications of the Permanent Fund and the Renewable Resources Development Fund at the direction of the Committee Chairman.

3. Brian Rogers

Mr. Rogers is doing research on the potential of small and medium scale business development (cottage industry) and Alaska specific appropriate technology at the direction of the Committee Chairman.

4. Alephe Morris

Ms. Morris is doing final editing and typing on transcripts of the Committee's public hearings at the direction of the Committee Chairman.

5. Price Waterhouse and White, Weld & Co. (through the Division of Legislative Finance)

Price Waterhouse and White, Weld & Co. are offering management and financial consulting, respectively, on the Permanent Fund and the Renewable Resources Development Fund at the direction of the Committee Chairman.

6. Institute of Social and Economic Research (through the Department of Revenue)

The Institute is doing computer modeling on the impacts of potential uses of Permanent Fund principal and interest at the direction of the Committee Chairman.

M E M O R A N D U M

To: Mike Doogan, A.A.
House Permanent Fund Committee

From: Kathy Brown KB
House Finance Committee

Date: November 18, 1977

Subject: Permanent Fund Questionnaire

Attached to this memo, you will find the results of the House Permanent Fund Survey. We received twenty-nine responses and, as you will see, they defy catagorization. There appear to be as many different responses as there were questionnaires.

Since there were so few, I've simply listed the responses to each question. The order of the responses listed is consistent throughout the report to provide continuity in following "the plan" proposed in each questionnaire.

1. WHAT INVESTMENT PROPOSAL DO YOU SUGGEST AND HOW IS IT INCOME PRODUCING FOR THE PERMANENT FUND?

* Real estate and business loans within Alaska. Financing for municipal improvements.

* That the Fund be split, and the majority of it be used for research into other nonrenewable resources, and what's left be invested in the development of renewable resources such as fisheries, logging, etc. The profits of the discoveries would be placed directly back in the Permanent Fund.

* Was impressed by the possibilities/ alternatives suggested in the booklet "The Role of the Permanent Fund in Alaska's Future." My top priority would be loans or bond guarantees for municipalities for capital improvements.

* 60% - 75% to finance hydroelectric power (i.e. Wantana and Devil's Canyon) and promote agriculture in Susitna, Tanana and Yukon Valleys - Rest of fund in high-yeild, low-risk, "money market" investments.

* A broadly diversified investment program with up to 20% in small technological development firms -- particularly in the fields of energy, communications, aero-space and agriculture.

* Funds should be banked to produce interest.

* The Permanent Fund and its income should relect flexibility both in how it is invested and how it is spent. Perhaps a percentage should be invested outside, but I would see Alaskans getting any advantage in the choice. Increased "in Alaska" activity producing something better than subdivisions - like encouraging agriculture where feasible. Training and education for meaningful employment in appropriate ways, development of renewable resources.

* Diversified investments - i.e. 50% invested in securities (preferably in-state), 25% utilized for loans to develop renewable resources such as fisheries programs and agricultural programs, and 25% directly benefiting Alaskans for small business and home loans. Income earned by Permanent Fund investments should be designated by law as funding for commu ty development projects.

* Innovative investment to stimulate and develop agriculture - growing of crops and freezing and canning of same to feed Alaskans.

* Principle: Solid low-risk bonds, securities, etc.
Interest: Investm thin the state, loans, etc.

* U.S. Treasury notes.

* Permanent Fund means permanent. Invest in blue chip, AAA, stocks and bonds.

* Loan guarantee program for all types of loan transactions. Fees from transaction (perhaps interest overrides) would produce income.

* Securities with highest return yet with least risk, keeping in mind inflation, deflation, liquidity, etc.

* Stocks and bonds handled by New York, San Francisco, Chicago or European investment houses.

* Balanced portfolio of stocks, professionally managed for high income.

* None of the above. Return should be optimized through the best interest of our best renewable resource - people. Projects employing people, which are locally built and utimately paid for should be encouraged.

* Low to moderate interest loans of moderate amounts for enterprise development in rural Alaska. Invest surplus (if any) in bonds or other secure instruments.

* Invest in hydroelectric or other power from renewable sources. Invest in moving the capital. When completed, they will all be a part of the Permanent Fund.

* Provide loans to Native Corporations or Native Cooperatives to build fish processing plants, fishing vessels, beam trawlers, factory ships.

* Alaska is a natural resources state and the Permanent Fund should be invested in things that will assure economic development of these resources over the long-term. The State should invest in a railroad to the interior and loans to individual prospectors.

* 1. High-yeild, low-risk securities.
  2. Loans for small businesses, homes and to municipalities for capital improvements.

* a.) Invest in blue chip or other secure stock outside of Alaska.
  b.) Invest in renewable resource industries in Alaska.

* Makes available 7 1/2 % loans to the timber industry, mining, fishing and chemical-petroleum industries.

* Profitable development projects of all kinds which will benefit the Alaskan economy within Alaska.

* Use up to 25% of the Permanent Fund to finance or assist federal financing of basic community facilities such as - community meeting and convention centers. Public piers, etc., at low interest. (6%)

* Invest part or all monies within the State of Alaska for growth of Alaska.

* I suggest a guideline for fund manager for <u>a minimum</u>:
  50% U.S. Government securities
  25% Alaska municipal bonds (with bonding limitations) and state bonds. Balance - blue chip and Alaska investments in resource development. Limit fund for agriculture development and exclude fish hatcheries.

* Purchase bonds marketed by Alaska Power authority to build hydro- and geo-thermal electric generation facilities.

2. WHAT OBJECTIVES ARE ACHIEVED BY YOUR PROPOSAL?

* Alternate source of financing for state residents.

* With a discovery of more oil or other nonrenewable resources, it would provide more jobs for all Alaskans, not just the fishermen in Southeast Alaska. But not to exclude them, the other segment of the Fund could be used to support the fishing industry. Interest from the Fund could be available to all Alaskans as loans for any profit-making venture within reason. This being all Alaska's monies, it should be used as such, and not just to state subsidize fisheries.

* Needed services provided, - facilities upgraded, expansion of community services. Example - hydroelectric project in Sitka.

* Develop in areas of renewable resources for broader economic base - cheaper power in the future and less dependence on outside food sources. Rewards would be long-term.

* Some of these companies might be brought to Alaska, providing some highly skilled jobs and taxes. The only things Alaska can export competitively are natural resources and brains. This would marry the two to some extent.

* Fiscal responsibility.

* People who live here can receive a bigger share of the efforts of the Government they help pay for. I don't like to see the long-term efforts of people go down for lack of interest and incentive by State government. These same businesses or industries could help when the oil supply diminishes.

* Diversified investments maximize the income from at least half of the fund while still utilizing half for more direct benefits and opportunities to citizens and businessmen. The fund would be utilized to develop Alaskan economy and resources.

* Jobs for Alaskans. (may even utilize prisoners) Wise use of resources - land, water. Less dependence on the lower '48 for food.

* The Principle will never be touched and will be available for many generations; the interest will be a regular income to the State to encourage tax-producing industries and state growth.

* Security of investment.

* The Fund will be permanent. If it goes to loans, it will be lost. The earnings can they be used for more risky use.

* Generate capital flow into Alaska from traditional institutions. Would create pyramid income effect as reserves could be invested to generate income. Provide capital for rural areas (outside Anchorage) where investors are difficult to find and needs greatest.

* 1. Assurances that the Fund would be, in fact, permanent.
  2. Availability of capital for investment guarantees, public and private, that meet rigorous investment criteria. E at least the normal market rate of return for either short or long-run considerations.

* Protection of the Fund thereby assuring it is permanent.

* Maximum low-risk income. Income to be applied to tax reduction on all income taxes -- goal is zero income tax.

* Self-help, motivation and pride plus a turn over of $'s (in-state) which are ultimately returned to the Fund.

* 1) a. Promote gradual development in rural Alaska over a long period of time.
  b. Increase the tax base in Rural Alaska thereby reducing the tax burden on the rest of the State
  c. Will promote local government autonomy by increasing local self-sufficiency.
  d. Will diversify the economy both in terms of sources of income and geographic location.
  2) a. Will maximize yeild on money not allocated to rural development compensation for the low yeild from rural development loans.

* It will provide power for sale to homes, business and industrial users for many years after the gas and oil has been depleted. This will provide income so you could call it a part of the Permanent Fund.

* Provide employment to Natives with emphasis on Alaskan control of fisheries out to the 200 mile limit. Do not loan money to fishing corporations with foreign capital in excess of 25%.

* Perpetuation of mineral and energy exploration and assurance of an ecomonic outlet if anything is found; continued return to the State in form of taxes, rents, etc.

* High earnings to provide money for loans which will benefit individual Alaskans.

* a.) Maximizes income from Fund without stimulating undesireable growth within the state.
  b.) Favors establishment of stable economic base for future.

* Ongoing high standard of living, coupled with full employment for the year-round residents of our state.

* Reasonable rate of return on the loans but with low risk.

* Finance for community development of public facilities necessary to develop recreation and travel industry.

* Keeping our money working for Alaskans, develop our natural resources, mining, fishing, oil, gas and electrical powers.

* 1. Fund security against the track record of the legislature "blowing" all current and future revenue.
  2. Assistance to communities in securing funding without bonding commissions and at fair interest rates.
  3. Avoid present panacea concept of fish hatcheries.

* This is an investment in renewable resources as requested by majority of Alaskan Forum participants - the electric energy produced can be used to electrify Alaska Railroad and future mass transit systems as well as provide the type of cheap power that does not degrade the environment.

3. WHAT OBJECTIVES ARE AVOIDED BY THIS PROPOSAL?

* Diversification to sources outside of Alaska would not be emphasized.

* It avoids squandering of monies rightfully belonging to Alaskans, and "keeps it in the family." Unemployment rates would not increase, as jobs would be provided by the research and discovery of any non-renewable resources, and Alaska would flourish on the revenue of these.

* Loans and bonding would be in areas of low interest and higher risk - less quick return on money.

* None that are readily apparent.

* Pork barrel projects. Small loans to private citizens. Special interest groups such as alcoholics.

* We might not get all the "bucks" we could get. Quality of life is worth more than dollars in the bank. Anything we do to help people help themselves is useful.

* May not immediately be profitable cash-wise.

* No continual politics to face on principle; all the good expected from use of principal can be obtained by use of the interest but at a slower rate (and maybe with more forethought).

* Waste and/or loss of funds resulting from legislative "pork barrelling."

* The tax base and earnings from Fund will be adequate to fund the State's needs. More stimuli will be detrimental. Too much expansion does lower the unemployed figures.

* 1. Security of PF is provided for.
  2. Direct governmental competition with private sector.
  3. Excessive supply of money at the regional level.

* Development of Alaska economy, giving politicians more "play money."

* Frittering Fund away by uneconomic investments to achieve social, not economic objectives.

* Not enough space.

* 1.) a. No immediately realizable benefit to urban (majority) population.
    b. Will not contribute to short-term development of Alaska, but will tie up potential short-term resources for long-term objectives.
  2.) a. Sacrifices greater utilization of Permanent Fund dollars for immediate development purposes.

* It will create employment. Then the employed people can pay for their homes and borrow money from the banks with good credit. It will prevent subsidizing a lot of projects that help to cause inflation.

* The objective of this proposal is to avoid dominance of Alaskan fishery by foreign countries.

* (None of significance.)

* Little risk of big investment losses.

* Does not directly affect Alaskan economy.
Does not maximize income to Fund.

* Slow the growth of government, provide maximum employment, and orderly harvest of our resources.

* None.

* Source of income for the Permanent Fund would be less than provided for by pure commercial placement of investment.

* Avoids the hazard of high risk actions by politicians, Arlon Tussing and fund managers. Avoids Alaska credit rating falling below New York City rating.

* This proposal could satisfy those critics who are against too much development, because the excess energy could be sold outside by transferring it via microwave and satellite. This proposal is under consideration by Iceland - (selling their geothermal energy to another country.)

4. WHAT MAY LIMIT THE EFFECTIVENESS OF THIS PROPOSAL?

* Might not have enough loan demand.

* The intervention of environmentalists and those supporting non-growth.

* The number of years needed to pay off loans.

* Environment groups and federal government. Native Corporations and Administration (State Government) through land classification and short sightedness.

* Objections that the high risk/high return investments in emerging technology firms are not in the best interest of the State -- witness previous outcry when the State lost a modest sum in the stock market.

* Nothing.

* Interests who think dollars are more important than people. Those who think they can get something for nothing. (There should be both incentives and responsibilities.)

* Lack of imagination. One idea which should be considered is to use heat from the pipeline for greenhouses; establishment of a bakery near the wheat area large enough to ship Alaskan bread statewide.

* Unless the federal government falters, there is nothing to limit the effectiveness of this proposal. Unless the boys dealing with the interest are politically motivated, nothing will stop the steady, consistent growth possible.

* Cheap politicians whose primary goal is re-election.

* The legislature!

* A few large projects could tie up all necessary reserves. (Example - BIA program) Limitation such as inherent in federal SBA Program which limits usefullness. Lack of management which could cause inaction.

* 1. Political pressure for non-revenue producing social goals and programs.
  2. Public/political notions that the supply of money is inexhaustable.

* Long-term international depression.

* The portfolio must be well-managed and guidelines must be carefully set and monitored.

* Politics.

* 1. A lack of response or lack of opportunity to use such loans in rural Alaska.
  2. Inflation and the accumulation of surplus income without adequate means of using the income as a hedge against inflation.

* Running out of money from the non-renewable resources. All the rivers drying up.

* The effectiveness of this proposal will be limited if the State Department continues to countenance heavy Japanese participation in fishing off Alaskan shores.

* If no mineral resources are found.

* Bad investments and poor re-pay on loans.

* a.) None forseen.
  b.) Availability of safe investments in renewable resource industries.

* Preservationists, bureaucrats and fools.

* Lack of good, independant feasibility studies. And too much red tape to obtain financing.

* Do the projects half-way and/or lack of follow through of statewide travel marketing.

* Selfish politicians.

* Unavailability of good municipal bonds and good Alaska investments.

* The only limit to this proposal would be how much money and how many projects of this type we would be willing to finance.

5. WHICH GROUPS WOULD BENEFIT FROM THIS PROPOSAL?

* Hopefully residents and fund itself.

* All Alaskans.

* Alaskans - public would benefit.

* All Alaskans in interior and south central.

* Stock brokers and presumably the taxpayers.

* All Alaskans.

* The people in Alaska who have and are working to make the State a better place in which to live - financiers as well as the fishermen and the farmer and the businessman.

* Broad range of Alaskans could benefit from home loans as well as indirectly benefiting by the community improvements which would be financed by investment income.

* All Alaskans who eat.

* Principle: banks might be a place for some investment and let the private sector take the risk in providing loans (so many benefit -- but interest rate should be lower since there would be an excess of money on the market).

* All Alaskans.

* All Alaskans indirectly, - Directly brokers.

* Business community, municipalities, financial institutions, labor, etc.

* 1. In the long-run, all.
  2. In the short-run, those who have the expertise and other capabilities to offer projects and proposals that meet the investment criteria - (rates of return, etc.) Managers and professionals.

* Alaskan people, financial houses.

* Whole population, particularly taxpayers.

* Communities.

* 1. a.) Fishermen, small time loggers, individual farmers, small entrepeneurs, local governments, transportation enterprises initially.
  b.) Eventually -- majority of Alaska's population through the spin-off effects of balanced development through the State.

2. a.) Possibly individual taxpayers even initially if surplus income available for direct or indirect tax relief.

* All the people. Note the western states. Washington and Oregon. are very dependent on hydroelectric power.

* The Natives would benefit most. They are effectively frozen out of the off-shore fishing and remain as a result the largest group of Alaskans living below the poverty level.

* All Americans.

* Financiers, investors and individual Alaskans.

* a.) Financiers and brokers outside of Alaska and all Alaskans.
b.) Those involved or proximal to renewable resources and all Alaskans.

* All of the working class people.

* All of Alaska.

* General business community in each area where facilities are developed and labor because of the high degree of labor requirements in the service business involved in travel.

* All Alaskans.

* The future citizens after the exploitation of non-renewable resources. Current communities bonding problems and costs.

* An investment in these types of energy would benefit all Alaskans. Not only would the Permanent Fund realize a return on the bonds purchased from the Alaska Power Authority, but the selling of excess energy would bring income into the State treasury. Also -- construction of these projects would cut unemployment as well as generate matching fund money from the federal government.

6. WHAT GROUPS ARE LIKELY TO OPPOSE THIS PROPOSAL?

* Banks and other commercial lending institutions.

* Sierra Club, Friends of the Earth and other assorted posy-sniffers.

* Environmental, banking, economists, some legislators and the Alaskans who want a handout in reduced taxes or money.

* Ultraconservatives and ultraliberals.

* Unions, Do-gooders
  Politicians
  People who do not intend to live here permanently

* Financiers - money people. People whose projects or ideas were rejected. Those who feel that outright grants should be given, rather than as investment activity.

* Proponents of maximum yeild on 100% of fund investment.

* Can't think of any. Even proponents of no-growth should be sympathetic.

* Those that see the state getting involved more and more in the direct development of the state's businesses; those that would squander the income (principle) as was done with the 900 million.

* Each greedy group, be it local government, educators, bush communities, native corporations, large and small businesses, etc., who can't get their hand in the cookie jar.

* Most groups. They will want cheap home loans, social distribution, etc.

* Conservationists, protectionists and anti-development groups.

* 1. Primary research organizations
  2. Those associated with non or low-revenue producing sectors or organizations.
  3. Those associated with churches, charities and labor groups.

* Chamber of Commerce, elected officials.

* People who want to expand funding of "social services" in the state.

* Self-interest money groups.

* 1. a.) Large business enterprises
    b.) Urban populations which may be more concerned about short-term benefits.
  2. a.) Large business enterprises who want more immediate use of fund income and principle for subsidy purposes.

* Oil companies and environmentalists. Also stock brokers.

* Japanese, Canadian and out of state fishermen.

* Groups advocating preservation of all lands.

* Resource speculators and developers.

* a.) Alaskan financiers, brokers and businessmen.
  b.) Those involved in nonrenewable resource industries.

* Alaska Conservation Society, Friends of the Earth, Sierra Club, and any other group that wants a high standard of living, but are not realistic enough to be willing to pay for it.

* Anti-developers, preservationists, environmentalists.

* Environmentalists.

* Legislators with their pork barrel projects. Arlon Tussing and other economists. Bonding houses.

* This proposal would be opposed by private power people.

7. WHAT ARE YOUR SUGGESTIONS FOR MANAGEMENT OF THE PERMANENT FUND?

* Emphasis on Alaska loans -- provision for disaster loans (comparable to SBA disaster loan programs.

* To use as little of the principle as possible, and utilize the interest in the way most beneficial for the betterment of all Alaskans.

* Board of 7 with 2 appointed by Legislature, 2 appointed by Governor, and three elected (one every two years) for a 6 year term - the appointees to be reviewed every 2 years.

* Establish a trust fund with say five trustees -- two named by the Governor, two by the Legislature and one by the Supreme Court. They would retain the necessary financial managers and consultants needed to carry out the management mandate of the voters as determined by statewide referendum.

* Use of the interest only for renewable resources - fishing, logging, etc., and large projects for the benefit of all Alaskans such as power dams, air strips, transportation, etc., also tax reduction.

* Appointment by Governor, confirmed by Legislature. Should include a range of interests; have periodic (like six month) reports to Governor, Legislature, people; have periodic opportunities for input for possible changes in direction, etc., It might be wise for a percentage of either Fund or income to use two management schemes. Goals should be widely known and how well those goals were reached should be the main criteria to how well the management scheme performed its task.

* Policy board and investment committee should include representation from the public at large not just bankers, etc., and have available to them expertise from other than board members. Members should be confirmed by the legislature to avoid partisan appointments and legislation should provide for required reports to the public the legislature, the Governor, etc., regarding all phases of the operation.

* I suggest that the principle be invested in government bonds, secure stocks, etc., Only the low risk items should even be considered. It would be appropriate to buy as many of these low risk items as possible within the state -- the general idea being to get cash into the state banks for them to loan out. The state banks, with an excess of cash, would take the greater risks on loans to people and firms but the interest should be lower than usual since there would be an excess of cash. The interest on the principle would be utilized in all the ways this booklet suggested -- but the changes to Alaska would be slower and the state would be kept out of the market to a greater degree.

* Permanent Fund Managers appointed by Governor and confirmed by legislature, for staggered, long-terms (such as Federal Reserve Board), legislature to appropriate funds for specified purposes (if investments other than U.S. treasury notes are deemed advisable), but for two year period, not for one year.

* Professional with a charge that investments be considered on a long-term basis. Not like the last go around. Politicians must not be able to influence the investment decisions because of pressure from people because there is a temporary downward adjustment in the market.

* Greater use of citizens and business community rather than professional lobbyist, consultants and out of state experts.

* 1. Hire a Board consisting of at least one member from
  a.) each basic resource/industry sector.
  b.) the national, international and regional financial community.
  2. Have "the board" establish rate of return
  3. Let State and local government be involved <u>strictly as advisors</u> to the board.

* Should be done by one or several international finance houses.

* Legislature should determine, but it should be professionally, not politically accomplished.

* Board of Directors _____ establishes priorities and sets policy
  |
  Manager _____ Implements Policy & goals
  |
  Support

  Board members should be elected based on population ratio.

* 1. The management should be under the control of a Commission of not less than five or more than seven people.
  2. The Commission should be appointed by the Governor for a period of six years with consent of the legislature and provision for overlapping terms.
  3. The Commission should select it's own Executive Director and hire its own staff.
  4. Membership should include at least two (of five total) consumers or consumer advocates -- perhaps similar to the APUC.

* Find and use good examples of management from other States. That is if you can find any good ones. Do not start a permanent bureaucracy.

* Should be managed by a board of nine persons, each elected for a three year term; terms not to overlap; voters to elect a chairman, vice-chairman, and members; candidates to release their complete record of qualifications to voters. Management should <u>NOT</u> be by the Administration or the Legislature. Members should <u>not</u> be appointed.

* Advisory committee appointed by the Governor, approved by the Senate, coming from all areas and fields of interest (bankers, social workers, housewives, businessmen, etc), serving for no more than one term of four years.

* An appointed committee with staggered terms representing a broad diversity of public interests. (i.e. business people, environmentalists, educators, bush residents, subsistence livers, etc.)

* 100% of the income from non-renewable resources be deposited in the fund and only the interest from the time deposits be used as outlined above.

* An apolitical board of directors appointed by the Governor and confirmed by the Legislature. Permanent position not subject to changes in Administration or Legislature. Board to have financial legal, management, economists, etc. - non-political.

* Get it our from the hands of politicians.

* 1. Allow legislature annually to determine use of income from Permanent Fund.
  2. Prepare legal guidelines for manager and allow him freedom within those guidelines.

* 1. Establish our own bank, as has been done so successfully in North Dakota.
     a.) Invest money by purchasing Alaskan municipal state bonds.
     b.) By handling our own money we would not have to pay large commissions to the commercial banks for this service. A projection should be made as to how much it will cost the State for commercial bank services.
     c.) Less chance for private banks to direct these state funds into (in-house) loans.
     d.) Alaskan municipal and State bonds purchased by the Permanent Fund could be used for low-cost housing, day care centers and nursing homes. Certainly our Alaskan Citizens qualify first in importance as a renewable resource.
  2. Members of the Board handling fund shall serve not longer than four years with staggered terms and not to be served consecutively.
  3. The Managers and board members of Permanent Fund and their relatives shall not have a financial interest in any loans made or bank handling fund money.
  4. The managers and board members of Permanent Fund shall not own stock in or be paid by an Alaskan Bank, Savings and Loan, Finance Company or Credit Union.
  5. The Manager of the Permanent Fund shall agree not to take a job with any state financial institution for five years after leaving the position of Manager.
  6. The Permanent Fund should be audited at regular intervals by a national auditing firm on a bid basis with report to the Legislature.
  7. The Permanent Fund meetings shall be open to the public as much as possible and services purchased by the Permanent Fund shall be on a bid basis. Managers and trustees shall not have a business interest in any corporation providing services to PF.

FOR THE SPECIAL HOUSE AND SENATE COMMITTEES ON THE PERMANENT FUND

Alaska Public Forum
Interim Report
(Oct. 1-Oct. 25)

Alaskans participating in the Public Forum this fall have strong opinions and recommendations concerning the future of the Permanent Fund. This report is designed to give you the color of their responses through (1) questionnaire results and (2) workshop discussions.

The cut-off date for coding and tabulating questionnaires for this report was October 25. At that time, the Public Forum had concluded workshops in Wainwright, Dillingham, Togiak, Kotzebue, Noorvik and Anchorage.

* The Questionnaires

Cautionary note: This is an informal tabulation of Public Forum results, i.e., as they say in the vernacular, "for your eyes alone". The primary reason is that responses from Anchorage heavily weighted the results of the interim count, as you will shortly see. Thus, it would be unfair to quote these responses as representative of the entire state, since at the end of October we had only held six out of 17 meetings, and several regions of Alaska are not included in the count.

This is not to say that the responses to date are not valid ones. Yet they represent predominantly the opinions of Anchorage and Southcentral Alaska.

** The Workshops

Please keep in mind that many of the participants attending the workshops did not fill in questionniares. This is particularly

true for rural communities where the Public Forum newspaper was too overwhelming for many to digest easily, especially since English is not their first language. However, following a careful verbal presentation and interpretation into their own languages, workshop participants in the Bush often had strong opinions concerning the Permanent Fund. These will be discussed later in the section on workshop results.

Do weigh the workshop results and the questionnaire results individually and with equal importance.

* Circa 1200 questionnaires were tabulated.

** About 500 people participated in the first six forums.

Tabulation of Questionnaires
For the Interim Report

Demographics

More than 75% of the participants in the Alaska Public Forum questionnaire are male. About 45% of respondents were either manager-administrators or professional-technical people. The third largest occupation group (16%) were the unemployed.

Frequencies

We have broken out percentages of responses into three categories ---Statewide, Anchorage and Southcentral. You will note that the responses from Anchorage comprise nearly 65% of the total questionnaire responses received by October 25. The Southcentral results include about 80-85% of the total responses. As the boundaries are drawn, Southcentral includes the major populated areas of Anchorage, the Kenai Peninsula, and the Matanuska-Susitna Valley.

The Questions

A. Which use of the Permanent Fund do you feel is most important?

By far, the most important use of Permanent Fund monies is "to provide money for income-producing investments". In Anchorage, 75% of the responses favored this option. Statewide this choice drew 71% of the vote.

"To save money for the future" was the second choice with 15% of the total responses statewide. "To avoid using the money for state programs" was the third choice with 10% of the vote statewide.

B. Would you like to see more than 25% of the specified mineral revenues placed in the Permanent Fund?

Opinion was fairly evenly divided on this question. However, the scales tipped slightly in favor of putting more than 25% of

certain mineral revenues into the Permanent Fund.

About 55% of respondents statewide said "yes"; about 45% said "no".

C. Please rank the following possible goals for Permanent Fund investments according to which goals you think are most important. (See attached sheets for complete listing of options.)

Statewide priorities for Permanent Fund investments, which are mirrored by Anchorage and Southcentral, are:

1. Assist in stabilizing the Alaskan economy (18%)
2. Create more jobs in Alaska (15%)
3. Maintain Environmental quality (14%)
   Make more money available for investing in the state (14%)
4. Make the safest possible investments (10%)

D. In last year's Public Forum, participants indicated that the highest priority for using the Permanent Fund was to promote renewable resource industries. Do you agree with this?

More than 75% of the respondents agreed with the results from the Public Forum last year, placing highest priority on renewable resource industries for Permanent Fund investments.

E. Do you feel that the goals you have identified as most important can be met by investing in renewable resource industries?

An even greater majority (almost 80%) feel that their goals can best be met by investing in renewable resource industries.

F. If you said "yes" in question "D", would you still vote to invest in renewable resource industries even if the money earned was less than the money that could be earned from other investments?

More than 90% of the respondents answered "yes" to both Question 3D and to this question, i.e., they support renewable resource industries even if the return on investment is lower than the return from investing in other enterprises.

Last Year's Public Forum Results

The responses to these last three questions present a strong ratification of last year's Public Forum results on the Permanent Fund question.

Perhaps a brief review of those responses would be helpful. As stated above, renewable resource industries were ranked, by a wide margin, as the highest priority for all additional oil and gas money. The definition of those industries was colored by regional preferences, ranging from traditional industries such as timber, fishing, and farming to aquaculture and utilization of solar and tidal energy.

In addition, participants wanted to preserve the integrity of the Permanent Fund. Their second choice, "to save the money", reflected the desire for secure investments---those with guaranteed earnings and high returns. There was also considerable support for increasing the size of the Permanent Fund.

Last Year's Public Forum Results
Statewide Analysis

1A. How should the Permanent Fund money be invested?

26% Save it

14% Loan it to communities

10% Loan it for industrial development

36% Loan it to develop renewable resource industries

9% Loan it to individuals

ALASKA PUBLIC FORUM

PERMANENT FUND QUESTIONS

Interim Count
(Oct. 1-Oct. 25)

A. Which use of the Permanent Fund do you feel is most important?

	Statewide	Anchorage	Southcentral
*Number of Responses =	1059	675	851
1. To save money for the future	15%	13%	13%
2. To avoid using money for state programs	10%	8%	10%
3. To provide money for income-producing investments	71%	75%	73%
4. Other	4%	4%	4%
	100%	100%	100%

*(64% of total # of responses from Anchorage)
(80% of total # of responses from Southcentral.)

B. Would you like to see more than 25% of the specified mineral revenues placed in the Permanent Fund?

	Statewide	Anchorage	Southcentral
*Number of Responses =	1039	667	836
Yes	54%	52%	52%
No	45%	47%	47%
Don't Know	1%	1%	1%
	100%	100%	100%

*(64% of total responses from Anchorage)
(80% of total responses from Southcentral.)

5% Other: Miscellaneous bonds and loans, or other methods of saving; health, education, welfare issues.

Number of Responses: 3237

*C. Please rank the following possible goals for Permanent Fund investments according to which goals you think are most important.

	Statewide	Anchorage	Southcentral
**Number of Responses =	1175	750	944
1. Create more jobs in Alaska	15%	15%	14%
2. Not encourage more people to come to Alaska	9%	9%	9%
3. Maintain environmental quality	14%	13%	13%
4. Make maximum amount of money	6%	6%	7%
5. Make more money available for investing in state	14%	14%	14%
6. Make safest possible investments	10%	10%	10%
7. Make more Alaskan products available	5%	4%	5%
8. Assist in stabilizing Alaska's economy	18%	19%	18%
9. Other	9%	10%	10%
	100%	100%	100%

*Question C was tabulated on the basis of first choice answers only.
**64% of total responses from Anchorage
85% of total responses from Southcentral

F. If you said "yes" in question "D", would you still vote to invest in renewable resource industries even if the money earned was less than the money that could be earned from other investments?

	Statewide	Anchorage	Southcentral
*Number of Responses =	767	471	603
Yes	90%	93%	93%
No	9%	6%	6%
Don't Know	1%	1%	1%
	100%	100%	100%

*61% of total responses from Anchorage
79% of total responses from Southcentral.

D. In last year's Public Forum, the participants indicated that the highest priority for using the Permanent Fund was to promote renewable resource industries, such as fisheries, timber and farming. Do you agree with this?

	Statewide	Anchorage	Southcentral
*Number of Responses =	1058	680	857
Yes	76%	76%	76%
No	23%	24%	24%
Don't Know	1%	--	--
	100%	100%	100%

*64% of total responses from Anchorage
81% of total responses from Southcentral

E. Do you feel that the goals you have identified as most important can be met by investing in renewable resource industries?

	Statewide	Anchorage	Southcentral
*Number of Responses =	1023	662	834
Yes	78%	79%	79%
No	21%	20%	20%
Don't Know	1%	1%	1%
	100%	100%	100%

*65% of total responses from Anchorage
82% of total responses from Southcentral

Workshop Results

Our approach to the Permanent Fund in the workshop presentation and discussion questions was considerably different than the information and questions posed in the tabloid. There were several major reasons for this divergence.

Since decisions affecting the future of the Permanent Fund are imminent, our effort was to relay specific and current information relating to Permanent Fund bills already introduced in the legislature and ideas which will shape bills in the future session.

In rural areas, it was unrealistic to structure discussions around some of the more philosophical concepts posed in the questionnaire (Here I speak particularly about the third question which deals with investment goals.) For instance, to ask someone who lives in the small community of Wainwright near the Arctic Ocean, whether his investment goals for the Permanent Fund are "to stabilize the Alaskan economy" or "maintain environmental quality" are basically irrelevant to his daily life. And yet, in the Bush communities, participants had some very real and immediate concerns for the investment of the Permanent Fund. But they had difficulty grappling with the more "cosmic" options presented in the questionnaire.

In the urban areas, we found that people were ready to go beyond the philosophical or "value" statements and straight to the heart of legislation. They wanted to have some direct influence on the bills which will be presented and debated on the House and Senate floors this winter.

Briefly, our presentation on the Permanent Fund included:

1. The history and creation of the Fund
2. What decisions must be made in the near future, concerning

management, size, structure, etc.

3. The two bills introduced in the last legislative session, HB 298 and HB 300

4. And more recently, how the House Permanent Fund Committee proposes to treat the Permanent Fund.

Understandably, as more information became available, the presentation and subsequent workshop questions changed accordingly. As the Forums progressed, there evolved three slightly different sets of workshop discussion questions which I will briefly outline.

I. Wainwright, Dillingham and Kotzebue

We outlined the investment strategy of the S.I.A.C. bill and asked participants to consider how they would compare their investment strategy for the Permanent Fund with that currently proposed.

We asked participants to assign percentages to the different investment avenues specified in HB 298 according to which they felt was most important. We listed these simply as (1) economic development (2) community development and (3) save it. However, we did break down economic development into two parts, (a) economic development in renewable resources (since the emphasis in this kind of development was so strong last year in the Public Forum) and (b) other economic development.

Participants collectively assigned percentages to each category, defined what each category meant to them and explained the reasons behind their choices. (You will find that information, specific to each community on the following pages.)

II. Anchorage

In this urban center, the format was structured slightly different. Basically, we asked the same question which had been

posed in the three previous workshops and two additional questions for discussion. Participants here got into discussions of desired size, management and accountability.

These were the three workshop questions:

1. What is it that you want to accomplish as you recommend that oil revenues be invested in each of the categories (i.e., save it, economic development in renewable resources, etc.)?

2. From your point of view, is that better accomplished through allocation of the general fund or through investment of the permanent fund?

3. From your point of view, what should be the relative size of the permanent fund and why?

III. Fairbanks and Kenai

Following our discussions with Russ Meekins, Mike Doogan and Tom Singer, we were able to include in our presentation the draft proposal for the House Permanent Fund Committee's final bill, which will be presented to the Legislature in January.

We asked Fairbanks and Kenai participants to compare HB 298 and HB 300 and how the House Permanent Fund Committee proposes to treat the Permanent Fund, considering these four elements:

1. the size of the fund
2. the investment strategy
3. how the earnings or income are used
4. management of the Fund.

Then we asked them--What is it that you <u>like</u> about the proposals?
What is it that you <u>dislike</u> about the proposals?
What would you suggest be changed to make them more desirable?

(Note: You will notice that Fairbanks and Kenai are not included in the questionnaire tabulation. The cut-off date for coding the questionnaire responses fell before the workshops in Fairbanks and Kenai took place.) However, particularly in Fairbanks, participants had some very specific and interesting comments concerning the House's draft proposal, which is important that you know.)

On the following pages are recommendations on the Permanent Fund from each community in which a workshop was conducted.

** For those of you who read carefully, and may be wondering what happened to Togiak and Noorvik, let me reassure you that we did go there. However, "fly-in headhunters" and subsistence issues monopolized the entire meeting, so there was no discussion of the Permanent Fund.

#

Wainwright

(71 participants)

Permanent Fund Investment Strategy	Percentages
1. Economic Development in	
Renewable Resource Industries	29%
Other Industries	9%
2. Community Development	34%
3. Save It	21%
4. Other	7%
	100%

Definition of Choices

1. Economic Development In

Revewable Resource Industries

a. Reindeer Herding. "It's very important because there are not many caribou around Wainwright anymore."

b. Fox farms, chicken hatcheries, musk ox farm.

c. Hydroponic greenhouse. "It could run on solar power and supply villages on the North Slope."

d. "Let's focus on the renewable part of industries so we do not abuse our land and animals."

Other Industries

a. Small assembly factory "like putting together radio parts".

b. Development of cottage industries.

2. Community Development

Loans for community recreation center
restaurant/motel
airport terminal
movie theater
auditorium for dancing and the performing arts
skill center (for plumbing, mechanics, carpentry)
hospital
pavement of roads
utilities - telephones, water, sewer
gymnasium

3. Save it

"To increase the Fund"
"For future use"
Trust Funds
"For young kids when they grow up."

4. Other

Increase other loan programs. Stimulate the performing arts, especially dancing. To encourage touring art groups.

Dillingham

(125 participants)

Permanent Fund Investment Strategy	Percentages
1. Economic Development in	
Renewable Resource Industries	34%
Other Industries	8%
2. Community Development	22%
3. Save It	36%

Definition of Choices

1. Economic Development In

Renewable Resource Industries

a. Development of bottom fish and herring fisheries

b. Fish by-product use

c. Hatcheries, boat loans

d. "This is an economic base for our area...a key to future growth." "Renewable resources are important because there will always be something for the future."

Other Industries

a. Transportation--ferries, air taxis, scows and boats

b. Small businesses

c. Saw mills

d. Tourism

e. Mining

2. Community Development

Hospital
Housing
Alcohol treatment center
Music hall/theater
Recreation center/parks
Road maintenance
Community College

3. Save It

"We want safe investments and guaranteed return for investments."

Kotzebue

(26 participants)

Permanent Fund Investment Strategy	Percentages
1. Economic Development in	
Renewable Resource Industries	35%
Other Industries	8%
2. Save It	20%
3. Community Development	27%
4. Other	10%

Definition of Choices

1. Economic Development in Renewable Resources

a. Fishing - loans, research, fish farming. "There's tons of herring and sheefish here, but no market."

b. Reindeer Herding - "as local meat supply rather than bring in beef"

c. Musk Ox farms - for the meat and wool

d. Down birds - for down products, making down parkas

e. Alternative power sources - - especially wind and solar.

f. Cottage Industries - "Older people and mothers who must stay at home with their children, can make money by doing skin sewing, parkas, carving, sled and boat building. With the right organization, these people could make a living from such industries."

Other Industries

a. Tourism

b. More major air service

c. Jade and mineral development

d. Mining/refineries..."heavily controlled, no new roads"

2. Save It

a. "Save money for a better idea"

b. "Invest it outside of the State". . .municipal bonds, insurance, treasury bonds, certificates of deposit.

c. "The people of Alaska should have total control of how the money is invested."

3. Community Development ("Community development is not an immediate return, but a future return...to get people off welfare and improve the standard of living.")

Wholesale grocery store . . .cooperative
roads
barge services
storage facilities
movie theater/recreational facilities
housing/utilities
laundry mat
bakery/restaurants
garage/mechanics shop
schools - vocational and academic
community cultural center - with films, video, radio, swimming pool, hot baths, sauna
recreational development - ski-lifts, ski jumps

Anchorage

(105 participants)

1. What is it that you want accomplished as you recommend that oil revenues be invested in each of the categories?

Only one out of the three small discussion groups actually assigned percentages to the different categories.

Economic Development in Renewable Resources	25%
Other Industries	20%
Save It	25%
Community Development	20%
Other	10%

However, two other groups spoke specifically about the importance of developing renewable resource industries, which for them included farming, fish hatcheries, aquaculture, timber and alternative sources of energy. One group was very concerned that community development "be tied to renewable resource industries. Whatever development is encouraged should be done in such a way that there is no damage done to the environment." Several participants agreed that the Permanent Fund should not be used for social programs..."perhaps we could use the interest for those."

2. From your point of view, is that better accomplished through allocation of the General Fund or through investment of the Permanent Fund?

One group spent most of their time talking about renewable resource industries and felt that "the General Fund should dwell on research into possible renewable resource industries and alternate energy sources." When these proved to be fairly safe investments, then to use money from the Permanent Fund to stimulate their growth.

The other two groups did not get into this question.

3. From your point of view, what should be the relative size of the Permanent Fund and why?

One group said that "we should invest a significant portion of the Permanent Fund (far greater than the 25% now provided) in blue chip investments Outside or municipal bonds in Alaska, possibly Federal Treasury Notes." Participants in this group felt that the size of the Fund should be between 50-75% "with an option on the part of the legislature to increase the contribution, but no option to decrease below the level set."

The second group concurred that the size of the fund should be substantially larger, around 40%. "Our prime concern was to protect the fund, to save it."

The third group did not agree on a size.

4. Management and Accountability

Several of the participants felt that the management of the Permanent Fund "should be run independently such as a separate corporation might be, although it must have certain definite ties back to the people." Management, they concluded, should be accountable to the administration, the legislature and most importantly, the people.

*Nearly one-half of Public Forum participants at the Anchorage workshop participated in Permanent Fund discussions.

4. Other

Low interest revolving loan funds

Educational loans . . . on the job training

One group's recommendations for the use of Permanent Fund earnings:

1. Human development projects for rural Alaskans
2. Community cultural centers
3. Research on education - - investing in individual young people who are interested in careers in government and education in Alaska
4. Development of more local community colleges in rural Alaska.

"We would like to see a built-in review and revision process in whatever plan of management and monetary division is originated. The ideas of people within the state may change as we learn what to do and how it feels to manage so much money."

Fairbanks

(157 participants)*

Fairbanks participants delved into the Permanent Fund discussions and emerged with some very specific recommendations. They were asked to compare HB 298 and HB 300 and how the House Permanent Fund Committee proposes to deal with the Permanent Fund, considering these four elements:

1. The size of the Fund
2. The investment strategy
3. How the earnings or income are used
4. Management of the Fund

We asked them what they liked about each proposal, what they disliked and any suggestions they had to make the proposals more desirable. Here is what they said:

1. The size of the Permanent Fund

There was strong consensus that the minimum contribution to the Permanent Fund should be at least 50%. Many said that the fund should be increased to 100% of the specified oil monies, minus the cost of operating expenses.

2. Investment Strategy

Almost all of the participants favored the concepts of a Trust Fund and Development Bank in structuring the investments of the Permanent Fund. They liked the idea of the Trust Fund because it was "security-oriented."

However, most people felt that the portion of the Permanent Fund (16%) which would be dedicated to the Development Bank under the House Committee's proposal was "too small." One Fairbanks banker was astounded by the House's proposal. "Oh my god, and they think bankers are conservative." He wanted to see the figures

reversed...i.e., that 84% of Permanent Fund should go into Development Bank and 16% should go into Trust Fund.

Many people were concerned about renewable resource industries development and did not feel that any one of the three proposals adequately addressed that concern. Some felt that renewable resource industries should be given low interest rates from the Development Bank, mentioning specifically agriculture and the development of alternative sources of energy.

One strong recommendation which surfaced in many of the groups was that "Local banks should handle the Development Bank money". Other comments speaking to that same concern were-"The Development Bank should happen through local banks. Utilize local banks in the loan business"; and "We trust local banks more than some policy board in Juneau."

3. How the earnings or income are used

Most people agreed that the cost of operating the Permanent Fund should come out of the income from Permanent Fund investments. Some thought that Permanent Fund earnings should be used to stimulate cultural development "it is one of our greatest needs in Alaska"; others recommended that the income return to the Development Bank; while still others specified that the earnings be used for baseline research, specifically environmental, to pave the way for renewable resource industry development.

4. Management of the Fund

For Fairbanks participants, it was very important that local people have some influence over management policies concerning the Permanent Fund. They felt that all the regions of the state should be represented on whatever policy board is structured. There were several groups who favored the idea of regional policy boards "if

they have more authority than just an advisory role". A few participants were adamant that "whatever policies are set, they do not reflect urban over rural".

* About one-third of Forum participants in Fairb anks participated in the Permanent Fund discussions.

Kenai

(218 participants)*

1. Size of the Fund

Kenai participants wanted the minimum contribution to the Permanent Fund to be at least 50%. This was unanimous. Many suggested even 75%.

2. Investment Strategy

One group said that "balance is important", but did not go into detail as to what that meant to them. Another group specified three elements which were important for investments (1) community development-personal loans; (2) save it; and (3) renewable resource industries, in that respective order. A third group wanted the Fund money "secure" and invested in the state wherever possible".

3. Earnings or Income

Many felt that at least a significant portion of the earnings should be used to finance "high risk loans". Others thought the income should be plugged directly into (1) renewable resource industries and (2) tourism facilities, such as hotels, restaurants, etc. There was an equally strong opinion that the earnings should

go back into the Permanent Fund, except the cost of operating the Fund.

4. Management

The strongest recommendation here was that management should be totally segregated from the political arena. "We don't know how to write it so it's not political, but we want management to include some financial wizards, some professionals, and also some just regular people like us."

* About 40 people at the Kenai Forum took part in Permanent Fund discussions.

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Information to be Included

In Final Report

1. Statement of Committee activities
2. Synopsis of work completed
3. Best revenue projections with explanation of pipeline tariff impact
4. Recommendations for planned state assistance to energy development and communities
5. Overview of consultant work
6. Explanation of Committee legislative proposals
7. Conclusion
8. Appendix list. Appendices will include complete consultant reports, transcripts of public hearings, minutes of Committee meetings, Committee bills and copies of press coverage.