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STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5
JUNEAU, ALASKA 99811

April 8, 1981

The Honorable Bob Mulcahy
Chairman
Senate Labor and Commerce Committee
Room 207 - Capitol Building
Juneau, Alaska

Dear Senator Mulcahy:

Re: Senate Bill No. 349

Senate Bill No. 349, an Act establishing an office of cottage industries in the Office of the Governor, was introduced in the Senate on March 31, 1981 and was referred to the Senate Labor and Commerce and Finance Committees.

For the consideration of the Senate Labor and Commerce Committee. I am enclosing copies of Fiscal Notes prepared by Mr. Anselm Staack, Treasury Comptroller, Department of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson
Special Assistant

RDS/rdh

cc: The Honorable Don Bennett
The Honorable M. E. Dankworth
Co-Chairmen
Senate Finance Committee

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Anselm Staack
Treasury Comptroller
Department of Revenue

SENATE BILL NO. 349 (3/31/81)
PERSONAL SERVICES

Office of the Governor

1.	PX - Director			
	Salary	- R24 @4,022	- \$48,264	
	Benefits	- 48,264 x .1533	- 7,399	
	FICA	- SBP Max.	- 2,004	
	Health	- Mo. Fix. 12 X 150	- <u>1,800</u>	\$ 59,467
2.	G - Loan Specialist			
	Salary	- R19A @2,837	- \$34,044	
	Benefits	- 34,044 X .1533	- 5,219	
	FICA	- SBP Max.	- 2,004	
	Health	- Mo. Fix. 12 X 150	- <u>1,800</u>	43,067
3.	G - Secretary I			
	Salary	- R10A @1,564	- \$18,768	
	Benefits	- 18,768 X .1533	- 2,877	
	FICA	- 18,768 X .0613	- 1,150	
	Health	- Mo. Fix. 12 X 150	- <u>1,800</u>	24,595
		Sub-total		\$127,129

Department of Revenue/Treasury

1.	G - Accounting Technician I			
	Salary	- R12A @1,761	- \$21,132	
	Benefits	- 21,132 X .1533	- 3,240	
	FICA	- 21,132 X .0613	- 1,295	
	Health	- Mo. Fix. 12 X 150	- <u>1,800</u>	\$ 24,467
		Sub-total		\$ 24,467
		Grand Total		\$154,596

FISCAL NOTE

(ADMINISTRATIVE COSTS)

I. REQUEST

Bill/Resolution No. SENATE BILL NO. 349

Title Establishing an office of cottage industries and revolving loan fund

Requested by Senate Labor & Commerce Committee Date 3/31/81

II. FISCAL DETAIL

Agency Affected Office of the Governor, Dept. of Revenue

Program Category Affected _____

BRU, Program, or Subprogram(s) Affected _____

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		154.6	170.1	187.1	205.8	226.4
200 TRAVEL		5.0	5.5	6.1	6.7	7.3
300 CONTRACTUAL		20.0	22.0	24.2	26.6	29.3
400 COMMODITIES		1.0	1.0	1.2	1.2	1.3
500 EQUIPMENT		12.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		192.6	198.6	218.6	240.3	264.3

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		192.6	198.6	218.6	240.3	264.3
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME		4	4	4	4	4
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This bill establishes an Office of Cottage Industries in the Office of the Governor and a Cottage Industries Revolving Loan Fund over which the Dept. of Revenue has custody. Loans up to \$250,000 can be made.

See separate fiscal note for revolving loan fund requirements.

Above includes costs of personnel to administer the program. See attached sheet for breakdown of staffing component. Equipment is for new positions. Contractual costs for necessary consulting and possible legal work on agreements. Attached sheet shows allocation of personnel between Office of the Governor and the Dept. of Revenue. Travel, contractual and commodities all to the Office of the Governor.

Anselm C. Staack

IV. DATE April 8, 1981

PREPARED BY Anselm C. Staack, Treasury Comptroller
AGENCY Dept. of Revenue/Treasury Division
PHONE 465-2351

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
 TWELFTH LEGISLATURE

SB 349

FISCAL NOTE (LOAN FUND APPROPRIATION)

I. REQUEST

Bill/Resolution No. SENATE BILL NO. 349

Title Establishing an office of cottage industries and revolving loan fund

Requested by Senate Labor & Commerce Committee

Date 3/31/81

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected General Fund

BRU, Program, or Subprogram(s) Affected _____

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND		10,000.0				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This fiscal note shows the \$10,000,000 appropriation to the Cottage Industries Revolving Loan Fund necessary so that the fund can start making loans. -

Anselm C. Staack

IV. DATE April 8, 1981

PREPARED BY Anselm C. Staack, Treasury Comptroller

AGENCY Dept. of Revenue/Treasury Division

PHONE 465-2351

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)



Official Business

Alaska State Legislature

Senate

Committee on Labor & Commerce

Pouch V
State Capitol
Juneau, Alaska 99811

SUMMARY SB 349:

The office of cottage industries shall be established in the Office of the Governor; the purpose of the Act is to provide venture capital & technical assistance to participants.

Section 2 outlines the duties of the executive director, appointed by the governor, and charges him with the establishment of eligibility standards for loans, and the administration or supervision of loans made under AS 44.19.192. The executive director is further responsible for coordinating activities, publishing and evaluating material dealing with cottage industries in the State, and keeping records of the activities of cottage industries. The director shall assist individuals by developing a training program, assist in the establishment of markets for goods produced by cottage industries, submit an annual report to the Legislature on the activities of the office, and maintain an administrative relationship with the Dept. of Revenue to facilitate lending activities.

A cottage industries revolving loan fund is established in the Office. Loans granted under this section may not exceed \$250,000, with an interest rate of 3% or more, for a term not to exceed 10 years (except with permission of the Exec. Dir.) and must be used for venture capital. The initial loan may not be made until there are 10 million dollars or more in the fund.

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 349

Title An act establishing an office of cottage industries in the Office of the Governor

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Commerce and Economic Development

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected Division of Business Loans

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	-0-	240.1	264.1	290.5	319.6	351.5
200 TRAVEL		15.8	17.4	19.1	21.0	22.1
300 CONTRACTUAL		42.3	46.5	51.2	56.3	61.9
400 COMMODITIES		2.1	2.3	2.5	2.8	20.5
500 EQUIPMENT		14.0	15.4	16.9	18.6	20.5
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	314.3	345.7	380.2	418.3	460.10

FUNDING (Thousands of Dollars)

	-0-	314.3	345.7	380.2	418.3	460.10
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	-0-	7	7	7	7	7
FULL TIME						
PART TIME		-0-	-0-	-0-	-0-	-0-
TEMPORARY		-0-	-0-	-0-	-0-	-0-

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This fiscal note assumes that the Office of the Governor will request that the Division of Business Loans administers the Cottage Industries loan program.

Staffing related costs for processing and servicing loans.
(Fiscal Detail attached).

IV. DATE 4/9/81

PREPARED BY David Massey, Deputy Director
 AGENCY Div. of Business Loans, Dept. of Commerce & Economic Development
 PHONE 465-2910

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Fiscal Note Detail
SB 349 - Office of Cottage Industries

100 -	2 Loan Examiner III's @ \$2,837/mo. each	68.1	
	1 Loan Examiner III @ #3,260/mo.	39.1	
	2 Documents Processing Clerk III's @ \$1,564/mo. each	37.5	
	1 Document Processing Clerk III @ 1,761/mo.	21.1	
	1 Accounting Technician I @ \$1,761/mo.	<u>21.1</u>	
	Total Wages	186.9	
	Standard Benefits (Wages x .1555)	29.1	
	Supplemental Benefits (Wages x .0613)	11.5	
	Health Insurance (Man Months x \$150)	<u>12.6</u>	
		53.2	
	Total Personal Services		<u>240.1</u>
200 -	Travel to Close Loans:		
	36 Trips @ \$500	10.8	
	72 Days @ \$72/day	5.0	
			<u>15.8</u>
300 -	Telephone and Postage	23.1	
	Printing of Applications and Advertising	7.7	
	Office Space, Anchorage (2 x \$2,700)	5.4	
	Office Space, Fairbanks (2 x \$3,067)	6.1	
			<u>42.3</u>
400 -	Office Supplies		<u>2.1</u>
500 -	Equipment		
	7 Desk @ \$330	2.3	
	4 Credenzas @ \$470	1.9	
	3 Typists Extensions @ \$455	1.4	
	3 Executive Chairs @ \$190	.1	
	4 Secretarial Chairs @ \$150	.6	
	7 Sidechairs @ \$100	.7	
	7 File Cabinets @ \$325	2.3	
	3 Typewriters @ \$1,000	3.0	
	3 Calculators @ \$200	1.4	
	7 Wastebaskets @ \$25	.2	
	1 Coat Rack @ \$70	<u>.1</u>	
			<u>14.0</u>
			<u>314.3</u>

10% Inflation for Succeeding Years

Editor's note. — This section derives from AS 44.20.070 and was renumbered by the revisor under 01.05.031.

Sec. 44.19.188. Reports. The commission shall report annually to the state legislature and the governor concerning the work of the commission and shall recommend legislation by Congress and the state to carry out the purposes of AS 44.19.181 — 44.19.188. (§ 1 ch 85 SLA 1967)

Editor's note. — This section derives from AS 44.20.080 and was renumbered by the revisor under 01.05.031.

Chapter 21. Department of Administration.

Article

- 1. Department Functions (§§ 44.21.010 — 44.21.060)
- 2. Pioneers' Homes (§§ 44.21.100 — 44.21.130)
- 3. Automatic Data Processing (§§ 44.21.150 — 44.21.170)

Article 1. Department Functions.

Section	Section
10. Commissioner of administration.	40. Records or accounts of claims and warrants
20. Duties of department	50. Penalty for allowance of false, unjust or illegal claims
25. Contracts to operate vending facilities in state buildings	60. [Repealed]
30. Contracting with United States	

Sec. 44.21.010. Commissioner of Administration. The principal executive officer of the Department of Administration is the commissioner of administration. (§ 8 ch 64 SLA 1959)

Am. Jur. 2d references. — 1 and 2 Am. Jur. 2d, Administrative Law, § 1 et seq.

Sec. 44.21.020. Duties of department. The Department of Administration shall

- (1) Repealed by § 4 ch 97 SLA 1976.
- (2) make surveys and studies to improve administrative procedures, methods, and organization;
- (3) keep general accounts;
- (4) approve vouchers and disburse funds for all purposes;
- (5) operate centralized purchasing and supply services, and necessary storerooms and warehouses;
- (6) allot space in state buildings to the various departments according to need and available space;
- (7) supervi telephone, mailing, messenger, duplicating, and similar services adaptable to centralized management;

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